

COMMONWEALTH OF AUSTRALIA. *Parliament*

# PARLIAMENTARY DEBATES.

FIRST SESSION, 1920-21.

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# EIGHTH PARLIAMENT.

FIRST SESSION.

## Governor-General.\*

His Excellency the Right Honorable HENRY WILLIAM, BARON FORSTER, a Member of His Majesty's Most Honorable Privy Council, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, and Commander-in-Chief in and over the Commonwealth of Australia,

\* From 6th October, 1920.

## Australian National Government.

(From 10th January, 1918.)

Prime Minister and Attorney-General	..	The Right Honorable William Morris Hughes, P.C., K.C.
Minister for the Navy	..	The Right Honorable Sir Joseph Cook, B.C., G.C.M.G.
		<i>Succeeded by</i>
		The Honorable W. H. Laird Smith (28th July 1920).
Treasurer	..	The Right Honorable Lord Forrest, P.C., G.C.M.G.
		<i>Succeeded by</i>
		The Right Honorable William Alexander Watt, P.C. (27th March, 1918),†††
		<i>Succeeded by</i>
		The Right Honorable Sir Joseph Cook, P.C., G.C.M.G. (28th July, 1920).
Minister for Defence	..	The Honorable George Foster Pearce.
Minister for Repatriation	..	The Honorable Edward Davis Milten.
Minister for Works and Railways	..	The Right Honorable William Alexander Watt, P.C.
		<i>Succeeded by</i>
		The Honorable Littleton Ernest Groom (27th March, 1918).
Minister for Home and Territories	..	The Honorable Patrick McMahon Glynn, K.C.†††
		<i>Succeeded by</i>
		The Honorable Alexander Poynton (4th February, 1920)
Minister for Trade and Customs	..	The Honorable Jens August Jensen.†
		<i>Succeeded by</i>
		The Right Honorable William Alexander Watt, P.C. (13th December, 1918).
		<i>Succeeded by</i>
		The Honorable Walter Massy Greene (17th January, 1919).
Postmaster-General	..	The Honorable William Webster.†††
		<i>Succeeded by</i>
		The Honorable George Henry Wise (4th February, 1920).
Minister for Health	..	The Honorable Walter Massy Greene (10th March, 1921).
Vice-President of the Executive Council	..	The Honorable Littleton Ernest Groom.
		<i>Succeeded by</i>
		The Honorable Edward John Russell (27th March, 1918).
Honorary Minister	..	The Honorable Edward John Russell.
		Appointed Vice-President of the Executive Council, 27th March, 1918.
Honorary Minister	..	The Honorable Alexander Poynton.
		Appointed Minister for Home and Territories, 4th February, 1920.
Honorary Minister	..	The Honorable George Henry Wise.
		Appointed Postmaster-General, 4th February, 1920.
Honorary Minister	..	The Honorable Walter Massy Greene.*
		Appointed Minister for Trade and Customs, 17th January, 1919.
Honorary Minister	..	The Honorable Richard Beaumont Orchard.**
Honorary Minister	..	The Honorable Sir Granville de Laune Eyrie, K.C.M.G., C.B., V.D.††
Honorary Minister	..	The Honorable William Henry Laird Smith.††
		Appointed Minister for the Navy, 28th July, 1920.
Honorary Minister	..	The Honorable Arthur Stanislaus Rodgers.***

\* Appointed 26th March, 1918.—† Removed from office, 13th December, 1918.—\*\* Resigned office, 31st January, 1919.—†† Appointed 4th February, 1920.—††† Resigned 3rd February, 1920.—†††† Resignation from office gazetted, 15th June, 1920.—\*\*\* Appointed 28th July, 1920.

## Senators.

(From 1st July, 1920.)

President—Senator the Honorable Thomas Givens.

Chairman of Committees—Senator Thomas Jerome Kingston Bakhap.

- \*Adamson, John, C.B.E. (Q.)
- Bakhap, Thomas Jerome Kingston (T.)
- \*Benny, Benjamin (S.A.)
- Bolton, William Kinsey, C.B.E., V.D. (V.)
- <sup>3</sup>Buzacott, Richard (W.A.)
- \*Cox, Charles Frederick, C.B., C.M.G., D.S.O., V.D. (N.S.W.)
- Crawford, Thomas William (Q.)
- De Largie, Hon. Hugh (W.A.)
- \*Drake-Brockman, Edmund Alfred, C.B., C.M.G., D.S.O. (W.A.)
- \*Duncan, Walter Leslie (N.S.W.)
- Earle, Hon. John (T.)
- \*Elliott, Harold Edward, C.B., C.M.G., D.S.O., D.C.M. (V.)
- Fairbairn, George (V.)
- Foll, Hattil Spencer (Q.)
- <sup>2</sup>Foster, George Matthew (T.)
- \*Gardiner, Albert (N.S.W.)
- \*Givens, Hon. Thomas (Q.)
- \*Glasgow, Sir Thomas William, K.C.B., C.M.G., D.S.O., V.D. (Q.)
- \*Guthrie, James Francis (V.)
- <sup>4</sup>Guthrie, Robert Storrie (S.A.)
- Henderson, George (W.A.)
- Keating, Hon. John Henry (T.)
- \*Lynch, Patrick Joseph (W.A.)
- Milten, Hon. Edward Davis (N.S.W.)
- \*Millen, John Dunlop (T.)
- <sup>1</sup>Newland, John, C.B.E. (S.A.)
- \*Payne, Hon. Herbert James Mockford (T.)
- <sup>2</sup>Pearce, Hon. George Foster (W.A.)
- <sup>1</sup>Plain, William (V.)
- Pratten, Herbert Edward (N.S.W.)
- Reid, Matthew (Q.)
- <sup>1</sup>Rowell, James, C.B., V.D. (S.A.)
- \*Russell, Hon. Edward John (V.)
- Senior, William (S.A.)
- Thomas, Hon. Josiah (N.S.W.)
- <sup>5</sup>Vardon, Edward Charles (S.A.)
- \*Wilson, Reginald Victor (S.A.)

<sup>1</sup>. Appointed Temporary Chairman of Committees, 21st July, 1920. <sup>2</sup>. Elected 13th December, 1919. Sworn 21st July, 1920. <sup>3</sup>. Appointed Temporary Chairman of Committees, 26th February, 1920. <sup>4</sup>. Deceased reported, 6th April, 1921. <sup>5</sup>. Appointed by State Governor in Council, 18th February, 1921. Sworn 6th April, 1921.

\* Elected 13th December, 1919. Sworn 1st July, 1920.



allow fifteen months to elapse before we have an opportunity to discuss the items?

Mr. RILEY.—These people have established themselves in business here, and it would be a great hardship now if, by a reduction of the duty, the whole of their business arrangements were dislocated. I hope the Minister (Mr. Greene) will stand by the item, and keep faith with all those firms that have come to this country.

Mr. CONSIDINE (Barrier) [10.6].—I have discovered, in listening to the debate on these items, that apparently the workers of this country are having a fine time in the various industries that have been established, and for which protection is asked in this Tariff.

Mr. CORSER.—They are well satisfied.

Mr. CONSIDINE.—If that is so, I want to know what is the cause of all this industrial unrest throughout Australia. The honorable member for Kalgoorlie (Mr. Foley) informed the Committee this evening that the poorer paid workers in his division were obliged to wear cotton stockings, and in order that they should continue to do so he wants, not to improve their working conditions, but to make cotton goods cheaper. I have no desire to do that. I want the standard of living so raised that the workers of Australia will not need to wear cotton socks. I would prefer that they should wear the woollen article. I want to see every worker in this country in a position to wear the very best material that is obtainable.

Mr. HILL.—And why not, in view of the fact that wool is so cheap?

Mr. CONSIDINE.—I will allow the honorable member himself to answer that conundrum. He and the rest of his party are keen about prohibiting the importation of chaff and every other primary product that they sell, but they want other commodities to be free which they have to buy.

Mr. HILL.—We want to give the people cheap socks. Apparently the honorable member does not.

Mr. CONSIDINE.—I do not want cotton socks at all. I wore them once, not because I liked them, and I have no doubt that the workers of Australia only wear cotton goods because they are ex-

ploited to such an extent that they cannot afford to buy the better class material.

Mr. FOLEY.—I have never pulled a poor mouth about the workers of this country. If the people in the honorable member's division worked, as they do in mine, they would be able to have woollen goods, too.

Mr. CONSIDINE.—If they did in my division what they did in the honorable member's, no doubt I would not be here, and so I do not agree with the honorable member's line of argument in that respect. But I am sure that if he goes back to Kalgoorlie, and tells the workers that he worked overtime in this House in order that they might be enabled to continue to wear cheap cotton socks, it will not contribute much to the success of his future election campaigns. Naturally, he does not want the attention of the workers in his division to be drawn to the fact that he is anxious that their wages shall not be increased to such an extent that they need not be compelled to continue wearing cotton socks, and that he is endeavouring to bring their prices down by a reduction in the Tariff. On the other hand, we hear him talking about dumping. The Protectionist argument is that dumped foreign goods ruin the local manufacturers. The honorable member cannot have it both ways. He complains about the high price of cotton socks and when, by interjection, I asked him how wages were fixed, he confessed they were determined by the cost of living. That has been my contention right through this debate on the Tariff, and so the honorable member's admission proves the soundness of my argument that the worker's wages are fixed on the cost of the duty-paid articles. Does the honorable member contend that if the cost of living were reduced wages would remain at their present level? As a matter of fact, cotton socks, as one item of expenditure for the working man, would be considered by an Arbitration Court or Wages Board in arriving at a cost-of-living estimate, and to that extent it would influence the finding. Therefore, does it matter very much to the working class whether we have a Tariff of 100 per cent. or no Tariff at all? The great mass of the workers at any time only receive what is the average cost of living.



Mr. FOLEY.—The honorable member ought to thank me for having given him an opportunity to explain his position.

Mr. CONSIDINE.—I thank the honorable member for unwittingly giving me an opportunity of demonstrating to the workers in his division the economic unsoundness of his own argument.

Mr. MATHEWS (Melbourne Ports) [10.14].—A fortnight ago I visited a factory in New South Wales, and was informed that the company were able to supply 4,000 dozen pairs of socks and stockings in three days. We also have, at Hawthorn, Melbourne, an establishment that can produce 200,000 pairs of cotton socks per annum. These businesses have been started under the new Tariff. I can show two pairs of cotton hose, one manufactured in America, and retailed at 1s. 11d., and the other manufactured in New South Wales at a wholesale price of 1s., leaving a margin of 11d., or nearly 100 per cent., which ought to be sufficient to cover all wholesale and retail profits. The American article is not as good a hose as the stockings made in Sydney; but the wholesale houses of Australia, wittingly or unwittingly, retard the progress of local manufacturers by the exorbitant price they demand for passing on the article to the public. A profit of 6d. ought to cover all wholesale and retail profits on an article which is turned out by the factory for 1s. I can also produce a pair of stockings made in Victoria. The quality is excellent, but I cannot quote the price. These samples I have ought to convince honorable members that cotton stockings can be made in Australia. I was surprised at the quality of the articles produced in the New South Wales factory. I want to point out to the ladies that the wholesale and retail houses are robbing them by the prices they are charging for so-called silk stockings. Artificial silk stockings, made in Sydney, are sold to the wholesale houses for 7s. 6d. per pair; but I saw the same stockings marked at the retail prices of 22s. 6d. and 25s. a pair in Sydney. While we insist on the manufacture of these articles in Australia, we ought also to be given power to deal with those who make undue profits out of the consumers.

Progress reported.

House adjourned at 10.22 p.m.

## House of Representatives.

Friday, 27 May, 1921.

Mr. ACTING SPEAKER (Hon. F. W. Bamford) took the chair at 11 a.m., and read prayers.

### ADJOURNMENT (Formal).

COPPER MINING: REDUCTION OF WAGES.

Mr. ACTING SPEAKER.—I have received from the honorable member for Darling (Mr. Blakeley) an intimation that he desired to move the adjournment of the House to discuss a definite matter of urgent public importance, viz., "The depression of the copper market, and its effect upon the mining industry."

*Five honorable members having risen in their places,*

Question proposed.

Mr. BLAKELEY (Darling) [11.2].—I take this action because of certain statements which have been made throughout Australia by friends and foes of the Labour movement about the position created by the depression of the copper market and the nation-wide campaign to bring about a reduction of wages. In Queensland, at Mount Morgan; in South Australia; and in Tasmania, attempts have been made to reduce wages. That these attempts have not been confined to one State, or even to one industry, proves—to our satisfaction at least—that the mining industry is only being used by way of experiment. This wage-reducing campaign is not a new one. The reduction of wages and the increasing of hours has been tried in Great Britain, in America, and, practically, throughout Europe. We, of the Australian Workers Union, are prepared to fight to the last ditch in resistance of these reductions, which are so ardently desired by the capitalists of this country and their friends. The directors of Mount Morgan issued to the members of the Australian Workers Union and other organizations the ultimatum that, unless the men would accept a reduction of 20 per cent. in their wages, the mine would be closed; in other words, they stated that the company was going to take direct action, to "go slow on the job," to refuse to function. The



men took a ballot on the question, but before the ballot was taken the Queensland branch of the Executive of the Australian Workers Union dealt with the subject, and advised the men to hold the ballot and to vote against the reduction. This the men did, and the proposal for a reduction was defeated by a large majority. The Mount Morgan directorate contends that it cannot carry on unless the men are prepared to accept reduced wages, and the Queensland Government—as a Government should do—has offered to come to the aid of the company by giving it a rebate of £1,000 per week in freights; a fairly generous offer. The Queensland Government recognises that it is not the workers employed at Mount Morgan who should subsidize the mining industry, and that if the industry must be subsidized, it should be subsidized at the expense of the whole State. It has been said recently by many that if an industry cannot pay, the workers employed in it should bear the brunt by accepting reduced wages and worse conditions than those awarded by the Arbitration Court. That is a vicious principle. Why should any set of workers accept a lower standard of living than that enjoyed by workers in other industries? To ask them to do so is quite illogical. The State has a duty towards its citizens, and so has the Commonwealth. They must at least provide with food the people within their territories. Whether this be done by the issuing of meal coupons or by the subsidizing of industries, it must be done; and it cannot be tolerated that any one set of workers shall be sweated. If an industry must be subsidized to keep going, the subsidy must be provided by the people at large, including the employers and the wealthy, and not merely by the workers in that industry. The Mount Morgan directorate has stated that the offer of assistance made by the Queensland Government is not large enough, and the directors will not be satisfied until they obtain what they started out to get—that is, the reduction of wages, which means the taking from the men of some of their little luxuries, and even necessities. I am aware that an audit has been made of the books of the company, which shows that under present conditions it cannot carry on. We accept that audit, and are satisfied with

it; but we say that if the industry is subsidized it is not to be subsidized by the workers alone. When the copper market has risen again, if the workers went to the Mount Morgan directorate and asked to participate in the profits caused by the high price of copper, the reply would be, as honorable members know, "Go to the Arbitration Court." Now, when we desire to abide by the Arbitration Court awards, the directors of this and other companies say "No, we cannot carry on under that condition." The workers will not accept the reduction of wages at Mount Morgan. If the industry is to be subsidized, it must be subsidized by the whole people, each individual member of the community paying his just share of the cost. In South Australia, the directors of the Moonta and Wallaroo Smelting Works, in pursuance of the same campaign, issued an ultimatum to the men that, if they were not prepared to accept a great reduction in wages, the industry must cease. A ballot was held, in which the unions refused to participate; but Mr. John Verran, an erstwhile Labour man, but now a very fine servant of the mining companies in South Australia, conducted a ballot of people who were not concerned in the mines. Needless to say, there was an overwhelming majority in favour of accepting the company's offer of reduced wages, but as the unions did not participate in the ballot it was useless. There are many organizations concerned in mining in South Australia.

Mr. FOLEY.—There are too many concerned in the mining industry.

Mr. BLAKELEY.—I agree with the honorable member. We want the One Big Union very quickly.

Mr. FOLEY.—No.

Mr. BLAKELEY.—But the honorable member says there are too many unions now.

Mr. FOLEY.—That is so. The Australian Workers Union should never have gone into mining. It is a matter about which that body knows nothing.

Mr. BLAKELEY.—I venture to say that I worked just as early in mines as did the honorable member, and probably just as long. In South Australia, the President of the State Arbitration Court has declared that, unless the parties to



the existing award agree to alter it, a lower rate of wages cannot be paid; and, so far as the Australian Workers Union is concerned, no consent will be given by that body to any alteration. It cannot, and will not, do so. Not only are there erstwhile Labour men carrying out the wishes of the employers in South Australia, we have practically the same thing happening in the person of the honorable member for Capricornia (Mr. Higgs). I could quote from the *Hobart World*; but, in order to give the honorable member every opportunity, I shall quote from the *Hobart Mercury* of the 23rd May a very interesting and intensely edifying telegram despatched by the honorable member to the Mayor of Mount Morgan and Mr. J. Stopford, the State member for the district, containing among other matters the following pronouncement:—

I suggest to the miners of Mount Morgan that they hold another meeting, keep extremists like Mr. R. J. Carroll and Mr. George Martens off the platform, accept Judge McCawley's advice, get to work, and wait for better times. The Arbitration Court will still be there to appeal to when times become good again, as no doubt they will in a year or two. It is rubbish to say that because the miners of Mount Morgan had to accept a reduction in wages to meet the outside world reduced price of copper, the workers in every trade and calling will have to accept a reduction. I would also suggest to the trades and labour unionists of Queensland, and, indeed, throughout Australia, that they should get together with a view to changing those leaders who are telling them that the only way out of industrial troubles is to abolish the capitalist and abolish capitalism, who either do not know or who ignore the teachings of history, and who are of opinion that a civilization which has been built up during 1,000 years can be swept away and replaced by the millennium in a year or two.

Only a few short years ago, the honorable member was the high priest of Socialism in Australia, and was employed by the workers to enunciate the doctrine of control by the working classes. He conducted a very fine column, "Socialism in our Time," in the *Queensland Worker*, and every week exhorted the workers to be up and doing, and to educate themselves in all matters, so that ultimately they might take control of and work their own industries for their own benefit and for the benefit of those who participated in them.

Mr. Blakeley.

Mr. HIGGS.—I have never made use of those words.

Mr. BLAKELEY.—I refer the honorable member to articles in the *Worker* which he has forgotten, and which he would like to forget. Probably he does not desire to be reminded of them. He is like a few others who occupy seats opposite. He has seen the light, just as it has been seen by the Acting Prime Minister (Sir Joseph Cook), the great patriot of to-day, who advocated Republicanism a few years ago.

Sir JOSEPH COOK.—That is not true.

Mr. BLAKELEY.—The right honorable gentleman, a few short years ago, longed for the day when a Republic would be established in Australia. The honorable member for Capricornia (Mr. Higgs) is like many others who commenced their political life in the Labour movement. A most extraordinary feature of that movement is the manner in which men whose views are most advanced at the beginning of their career fall from grace considerably, and generally become the most conservative of persons towards the end of their political life. That has been the case with the Acting Prime Minister, the honorable member for Capricornia, the honorable member for Illawarra (Mr. Hector Lamond), and many others who are here, not excepting the honorable member for Kalgoorlie (Mr. Foley), and many others who have gone.

Mr. ACTING SPEAKER (Hon. F. W. Bamford).—I would remind the honorable member that his time is limited.

Mr. BLAKELEY.—Sir, I am very glad you are in the chair. The honorable member for Capricornia was one of those gentlemen who, in Sydney a few short years ago, preached the doctrine of "bread or blood."

Sir JOSEPH COOK.—Sir, I would like to remind you that for the last ten minutes the honorable member has not been touching upon the subject covered by his motion, but has been indulging in bitter personal attacks upon other honorable members.

The ACTING SPEAKER.—I took the opportunity of reminding the honorable member a moment ago that his time was limited. As he is certainly transgressing the Standing Orders, I ask him not to continue his references to other honorable members.



Mr. BLAKELEY.—I shall leave honorable members to their memories of the past, and continue to deal with Mount Lyell.

Mr. HECTOR LAMOND.—A few reminiscences of the honorable member's past would be interesting.

Mr. BLAKELEY.—My political and moral past is as clean as that of any other honorable member, especially in an industrial sense. In any case, unlike the honorable member for Illawarra, I am not a "scab" on my own party.

The position at Mount Lyell is practically on a par with that at the other two mines I have mentioned. The directors of the Mount Lyell Company say that unless the men are prepared to accept certain conditions, which differ from those now prevailing, they will be obliged to close down. Members of the combined unions engaged by the Mount Lyell Company have held many meetings in Queenstown, in Tasmania. While the Australian Workers Union are the principal body involved in point of numbers, there are many other organizations there affected by the trouble. They carried certain resolutions, stating that the men were quite prepared to assist the directors of Mount Lyell to go to the Arbitration Court and get an expeditious hearing of the case. That led to a conference with the employers, which I was not able to attend, although I attended the initial meeting of the unions. The directors laid a certain scheme before the men, which later came before the executive council of the Australian Workers Union and the executives of other organizations interested. Unanimously the executives refused, and for very good reasons, to accept the conditions offered by the directors. The Australian Workers Union has a case pending before the Arbitration Court, and if we accept any reduction of wages or surrender anything which we have already gained, we shall prejudice our case in the Court, and the very men who are asking us to make these concessions will quote them against us at the hearing. That was done only recently in the Amalgamated Society of Engineers case against the Mount Lyell and other companies. The onus will be placed upon us of explaining to the Judge the anomaly of members themselves accepting inferior conditions and then approaching the Court for different conditions and rates

of pay. We cannot accept anything which would be likely to prejudice our case. Much has been said regarding the attitude of the men at Queenstown. The following resolutions were carried at a mass meeting of unionists at Queenstown on 22nd May:—

1. That this committee of combined unions adhere to the spirit and intention of our original decision on April 2, and we agree to urge the executive councils of our respective organizations to act in accordance with same. We further agree to authorize our executive to act as they deem advisable on behalf of their members employed on this field.

2. That this meeting disapproves of the action of the Mount Lyell Company in departing from the usual custom in refusing to deliver goods to their employees.

The resolutions passed on 2nd April were as follow:—

That this meeting of union representatives, having taken into consideration the circular issued by the directors of the Mount Lyell Company, are of the opinion that the cost of living has not decreased, and that the present wages paid are insufficient to allow of a reasonable standard of comfort being maintained. If the company's position is, however, such as outlined in their circular, they should adopt the constitutional policy of making application to the Commonwealth Court of Arbitration for the necessary relief, in which circumstances the unions will do all in their power to have the case, as affecting each organization, dealt with conjointly, and will use every effort to have the matter presented as expeditiously as possible.

That the opinion of the combined unions be indorsed, and the officers of the Australian Workers Union be instructed that we desire, to have that course adopted.

That the general secretary be instructed that it is our opinion that the Mount Lyell Company's plea will be inability to pay. We feel certain they will not attempt to justify a reduction of the cost-of-living plea. We wish to point out that men who have dependents, and who are working on the basic wage, have only been able to live, and now they are facing the winter, when clothing, bedding, and such like require renewing, light and fuel costs increase, and therefore a reduction of their wages will undoubtedly mean privation.

That an eighty-eight hour fortnight will not be satisfactory in exchange for the forty-four hour week. We point out that, as a health question, we desire to keep the number of hours as few in any week as is possible. We are of opinion that to compel miners to work forty-eight hours in one week will be to drive many practical miners from following that employment on this field, and deter others from coming here.

The whole of the workers employed by the Mount Lyell Company have left the matter entirely in the hands of their executives. It has been said by the Premier of



Tasmania that it would suit the Honorable James McDonald, M.L.C., President of the Tasmanian branch of the Australian Workers Union to induce the arrogant executive to alter its attitude. Our attitude from the beginning has been that we will resist any reduction. It might be thought by a section of the workers at Mount Lyell, or Kalgoorlie, or Moonta, or Wallaroo, that they could do with less wages and work a few more hours, but those members consider only their own interests, and disregard the view-point of the workers generally. It is essentially the duty of the executive of an organization covering all Australia to consider not merely a section of its members, but the whole of them. As president of the Australian Workers Union, I am prepared to take full responsibility for my action. I am confident that my executive and I are adopting the right attitude in resisting by all possible means a reduction of wages and an increase of hours.

In regard to arbitration proceedings, when the workers strike they are immediately condemned by the employers as "direct-actionists," and everything else that is bad, but when an organization like the Australian Workers Union offers every possible assistance to have the issue decided by the Arbitration Court those who, at a time when copper was £120 and £130 per ton, condemned the workers for taking direct action, are themselves adopting that very policy by closing down the mine and going slow. They do not ask the workers to participate in the responsibility of carrying on the industry when it is flourishing. The Mount Lyell directors did not suggest to us during the flush period that we should do certain things and be recompensed accordingly. They were then making high profits and putting away millions of pounds in dividends and in the purchase of shares in other companies, but immediately a depression comes they seek to place the responsibility for the conduct of the industry upon the workers engaged in it. We have applied for and have been granted a compulsory conference with the directors of Mount Lyell and other mines. We shall meet them, but I do not anticipate that any good will result from the conference. We shall facilitate by all means in our power the expeditious hearing of the case when it comes before the Court, and I hope the Government will do likewise, and we shall abide by the decision of that

*Mr. Blakeley.*

tribunal. But the directors of Mount Lyell say that the Arbitration Court is of no use to them, because, if it follows the principles which have guided it in the past, in deciding first the living wage and then adding something for skill and the nature of the occupation, the decision of the Court cannot be of any advantage to them. That means that the directors of the Mount Lyell, Moonta, Wallaroo, and Mount Morgan mines all desire that wages shall come down below a certain fixed standard. We are told that we are criminals when we refuse to work, but when the employers refuse to work it is quite all right. The position which I want to stress is that in the three cases I have mentioned we have been working under an award. If the employers desire a variation of that award, they are at liberty to go to the Court to obtain it. We are prepared to abide by any decision of the Court, but in the meantime the Australian Workers Union will not accept either a reduction in wages or any increase in their hours of employment.

**Mr. RICHARD FOSTER** (Wakefield) [11.32].—I am glad that the honorable member for Darling (Mr. Blakeley) has made the statement which he has, because it is a good thing that the rank and file of the workers, as well as the people of Australia, should know just where some of the prominent leaders of the industrialists are leading them. This is a case of the blind leading the blind. In his opening remarks, the honorable member stated that the trouble at Mount Lyell, Mount Morgan, Moonta, and Wallaroo was typical of a world-wide campaign which was being conducted by employers for the purpose of reducing wages. The accuracy of that statement may be fairly left to the scrutiny of any right-thinking man in this country, in view of the conditions which obtain today. The honorable member asks that, whilst the prices of metals remain extremely low, the people of Australia shall be called upon to subsidize the working of the mines. That, he knows perfectly well, is an economic impossibility. During his speech he made reference to several mines concerning some of which I have had an intimate knowledge for many years. Other honorable members



possess a similar acquaintance with the other mines. The honorable member for Darling knows that there is scarcely a metal mine working in Australia to-day at its normal strength, because the low prices ruling for metals render it impossible to profitably carry on operations. I regret as much as does anybody that those prices have fallen so considerably as to necessitate a re-adjustment of wages until there is a corresponding decline in the cost of living. But we have to accept the position as we find it, and the honorable member knows that in Queensland the Arbitration Court recommended the men to do that which he, as the Chairman of the Executive of the Australian Workers Union, refuses to allow them to do. But I wish specially to direct attention to the honorable member's statement in reference to the Moonta and Wallaroo mines in South Australia, because he has absolutely misrepresented the position which obtains there. He has told us that, whilst the prices of metals were high, and the shareholders were reaping rich harvests, the miners had not a fair "look in," but that as soon as the depression was experienced the directors of these mines asked the workers to subsidize them. He also affirmed that the miners are the only persons who have been called upon to make a sacrifice. That statement is just as wide of the truth in regard to these particular mines as it could possibly be. For many years—for at least twenty years to my own knowledge—there has been an understanding between the miners and the management of the Moonta and Wallaroo mines, that the wages of the former shall be regulated by the prices ruling for metals. Under that arrangement, as prices rise a certain percentage must be given to the miners by way of an increase in their wages. That agreement has been honorably kept. Throughout the entire period of the war, when metals soared to extraordinary prices, it was loyally observed. And what is the position to-day? As soon as copper dropped to zero there was no option but for these mines to close down. They have been closed down for months. But recently their directors, through Mr. Hancock, the general manager, who is one of the best employers to be found in Australia, met the men in conference

and put the entire position before them down to the minutest detail. He informed them that under certain conditions, which were approved by a committee of the men upon the spot, the miners were at liberty to resume work. Mr. Hancock told them that as soon as copper reached a certain figure a certain wage would be paid them. It is admitted not merely by the miners of Moonta and Wallaroo, but by the workers of South Australia, who know all about this matter from A to Z, that the offer was a very generous one. Yet the honorable member for Darling (Mr. Blakeley) stated that the sacrifice was on the part of the men only. Mr. Hancock told the miners of Moonta and Wallaroo that the shareholders in those mines were prepared to entirely forgo the payment of dividends for a time. The men would have accepted his propositions but for the association over which the honorable member presides, namely, the Australian Workers Union. The honorable member has reflected upon Mr. John Verran, of the Moonta mines, who at one time was Premier of South Australia, and with whose politics I always disagreed. But that gentleman has a reputation in those mines, extending over a period of forty years, of which he may well be proud. He has rendered more service to the workers of this country than the honorable member for Darling will render if he lives for another fifty years.

Mr. MAKIN.—The honorable member would not always have said that.

Mr. RICHARD FOSTER.—I have stated that my political views are quite at variance with those held by Mr. John Verran, but I have always had only one opinion of that gentleman's character, and of the life which he has devoted to the service of the workers. I ask the honorable member for Hindmarsh whether he does not agree with me?

Mr. MAKIN.—I am not making an expression of my opinion, but it is amusing to hear the honorable member giving this gentleman an industrial reference.

Mr. RICHARD FOSTER.—I have already stressed that, politically, we have always been at variance. I am talking now about a matter of bread and cheese for the workers of this country.

Sir JOSEPH COOK.—Hear, hear! These honorable members opposite do not care about bread and cheese for the workers; they are too busy with their politics.



Mr. RICHARD FOSTER.—Yes; but they will learn that the people are fully aware of the facts within the next six months. The public will shortly know on which side the representatives of Labour in this Parliament take their stand.

Mr. BLAKELEY.—There is no doubt where I stand.

Mr. RICHARD FOSTER.—I commend the honorable member for saying that, and I am glad that the people of Australia will learn at once where he takes up his stand. They will perceive that he does so just on the border-line of the One Big Union—although, for very good reasons, he does not happen to want the One Big Union. I ask honorable members opposite to consider the state of affairs in Australia, and throughout the world, to-day, and I plead with them not to mislead the workers. What is there in prospect? Idle mines, until the workers, or their leaders—or, rather, the misleaders of the workers—come to their senses. I know how the people generally feel about this matter, and what their verdict will be with respect to the leadership of the Labour politicians.

Mr. CHARLTON (Hunter) [11.41].—The subject under discussion is exceedingly important, and requires the most earnest consideration.

Mr. CORSER.—And truthful statements.

Mr. CHARLTON.—I do not know that any honorable member has made an untruthful statement.

Mr. CORSER.—I do.

Mr. CHARLTON.—Then it will be for the honorable member to make it known and correct it, if he can. In every part of the world there have been changes, as an outcome of the war, which have proved detrimental to the best interests of all peoples, those of Australia included. The honorable member for Wakefield (Mr. Foster) remarked that we must adapt ourselves to the altered conditions. Inevitably, that is our task, but we should do so by the means properly set up for the purpose.

Mr. RICHARD FOSTER.—A thousand Arbitration Courts could not keep a mine working if it did not pay.

Mr. CHARLTON.—One of the main tasks of the State and Federal Parliaments, for years past, has been to set up efficient machinery for the settlement and

prevention of industrial troubles. We have established recognised tribunals for the adjustment of disputes.

Mr. CORSER.—When it has suited employees to take the proper course they have done so. But when it has not pleased them they have refused to have anything to do with arbitration machinery.

Mr. CHARLTON.—In the history of arbitration—

Sir JOSEPH COOK.—The honorable member is talking arbitration, but his people have just thrown the principle down.

Mr. CHARLTON.—I have always met the difficulty that while the Arbitration Act has compelled employees in an industry to go before the Court when seeking improved conditions and higher wages, those same employees have remained at the mercy of their employers in that the latter have been free to close down activities, to institute a lock-out, in order to enforce certain things upon or from their employees. Following the war there has come a slump in the metal market. Our mines can no longer secure an adequate return for the metals which they produce. As for the situation which has now developed, it is not a matter of the blind leading the blind, but of men who understand the true situation, and who realize what might be the general effect of the proposed action upon workers throughout the Commonwealth, advising the latter in their own best interests. Let us suppose that one section of employees agree to accept reduced wages and, so, to permit an industry to carry on. Where will the end of it be? It will mean the brushing aside of the whole of our elaborate and painfully set up arbitration machinery. Once we allow employers to say that they can no longer pay the ruling rates, whereupon their employees agree to accept less, there will be no end to the application of the practice throughout Australia.

Mr. ATKINSON.—And why should there be, if conditions absolutely demand it?

Mr. CHARLTON.—Is it the Arbitration Court which is to decide upon conditions and wages, or is it the honorable member and those who share his views? Having at heart the welfare of Australian industry and Australian workmen, I perceive the disastrous effects involved in any



general reduction of the wage standard. If one industry were to carry on upon reduced payments the employers in various other industries would say, "We can no longer pay the wages fixed by the Arbitration Court; either we must close down or our employees must take less." I can picture the chaos which would follow. Every one knows how the workers had to fight to secure higher wages to cope with the increased cost of living during the war. But did they gain increases equivalent to the ever soaring cost of living? They were always behind.

Mr. RICHARD FOSTER.—The Moonta miners were not.

Sir JOSEPH COOK.—We have just ascertained that, with respect to shipping between the mainland and Tasmania, the wages now being paid are 120 per cent. or 130 per cent. higher than before the war.

Mr. CHARLTON.—The Minister will not say that increases of wages granted generally during the war kept anywhere near to the ever rising cost of living.

Mr. CONSIDINE.—The Minister refrains from mentioning the percentage increase in the cost of living.

Sir JOSEPH COOK.—*Knibbs* sets it down at 80 per cent.

Mr. CHARLTON.—Surely, to-day, because the bottom has dropped out of the metal market, mining employees should not be asked to continue to deny themselves and their families the necessities of life in order to keep the wheels of industry going. I agree that, in the best interests of Australia, we should endeavour to keep our people fully employed.

Sir JOSEPH COOK.—Will the honorable member suggest how that may be done?

Mr. CHARLTON.—It is time we endeavoured to find a solution of the difficulty. I do not care whether it may be discovered by means of the subsidizing of industries by State or Federal Governments to cover the period until the prices of metals inevitably rise again.

Mr. COUSER.—Would the honorable member suggest State subsidizing of every industry throughout Australia?

Mr. CHARLTON.—There are only certain industries concerned. The honorable member has been very anxious, together with other honorable members, to see that the world's parity was secured

for every primary product of this country. But the miners had to receive much less than parity for their labour. I think it will be generally admitted that the mining companies secured a price for their metals during the war period that had never been dreamed of. They made millions in profits, and paid out very large sums in dividends, but even after doing that they had very large sums in reserve. If honorable members will take the trouble to investigate the financial position of the different mining companies, they will find that in almost every case they issued additional shares, and increased the capital out of money in reserve without the shareholders being called upon to pay a single penny. If these mining companies made such huge profits during a prosperous period, they should have been compelled by law to place a certain amount aside for what is usually termed "a rainy day." Is it fair to say that those who produced that wealth by toiling in the bowels of the earth day after day should be called upon in a time of depression to work for reduced wages when the companies, at times, made profits of from 200 per cent. to 300 per cent.? Is it right that these men should be asked to work for a wage that is insufficient to maintain themselves and their families in reasonable comfort? This House has to take a wider view of the whole question, and see that something is done to provide the metalliferous miners with a wage that is sufficient to meet their everyday needs. It is not fair for honorable members to trot out the argument that because metals have fallen in price the miners should be asked to accept a wage that is totally inadequate to provide them with the necessities of life.

Mr. CONSIDINE.—Neither is it any use this House asking them to work.

Mr. CHARLTON.—I know that. I want honorable members, as far as possible, to realize that this is not a matter that has been brought forward only by the leaders of the men. Much has been said concerning industrial leaders, but it is a good thing that there are men with sufficient public spirit to look after the interests of others. What would become of the toiling masses if their interests were not protected by some responsible person? Does this House want the workers to be left at



the mercy of their employers? Must the workers always pay the penalty when reductions are suggested? The Treasurer (Sir Joseph Cook) is fully conversant with the coal industry, and will remember the keen cut-throat competition that was brought about when we were endeavouring to sell our product in the world's markets. Owing to internal competition some time ago, coal was sold as low as 7s. 6d. per ton. Would the right honorable gentleman say that under such circumstances the miners should accept a reduction?

Sir JOSEPH COOK.—The honorable member knows very well that we were at that time competing for the little trade that was offering overseas, but nowadays Australia consumes practically all her output.

Mr. CHARLTON.—At that particular time we had a big Inter-State trade which represented about two-thirds of the output. When the people of Australia were prepared to pay a reasonable rate, will any one suggest that wages should be reduced by one-half or two-thirds, or, at all events, considerably?

Sir JOSEPH COOK.—There was no suggestion of reducing wages by one-half.

Mr. CHARLTON.—I know my statement is correct, and the position was as I have stated. Machinery has been set up for dealing with these industrial disputes from time to time, and surely it is fair to appeal to the Court for a decision. May I remind honorable members that the Commonwealth finances will be in a precarious position if there is a heavy reduction in wages? Where will it end, and what will be the result? What will be the position of the Treasurer?

Sir JOSEPH COOK.—How can we keep them up? That is the point.

Mr. CHARLTON.—We should appeal to the Arbitration Court in these matters. Let me ask the right honorable gentleman what he is going to do if wages drop to bedrock and prices come down? Where will we get the money to meet our war obligations? Notwithstanding what the right honorable gentleman has said, he knows that my statement is correct. When once we start to reduce wages it is going to be a bad day for Australia. If wages can be maintained at a reasonable standard, and people are able to live in comfort, the country will

be better off, and the revenue more satisfactory. This is a very important matter, and a big principle is involved. Honorable members should not deal with it lightly, and it is useless saying that the men should be prepared to accept a reduction. I ask the Treasurer to place himself in the position of the men.

Sir JOSEPH COOK.—What is the principle involved?

Mr. CHARLTON.—We should not expect men employed in big industries to accept a reduction unless they are compelled by the laws of the country. The trouble is that the employers do not want to go to the Court, although they force the workmen to do so when they desire.

Sir JOSEPH COOK.—Does not the honorable member know that the men at Mount Morgan went to the Court, and the Judge gave a certain decision?

Mr. CHARLTON.—The Treasurer may mention isolated cases, but, generally speaking, the opinion of the honorable member for Wakefield (Mr. Richard Foster) is that, if a certain price cannot be obtained for metals, the men should be prepared to accept a lower rate.

Mr. RICHARD FOSTER.—My argument was that, if operations were not to cease altogether, the men should be prepared to work on the best conditions possible.

Mr. CHARLTON.—We should apply to the Courts to see what should be done, because we cannot allow every employer to say that he is not in a position to pay, and must therefore reduce wages. Is the employer to have the right to say that he shall close up his industry when we have legal machinery for regulating industrial matters?

Mr. CONSIDINE.—When the honorable member is emphasizing the fact that we should go to the Arbitration Court to deal with this matter, I would like to ask him what machinery there is to compel the Mount Morgan Company to abide by the existing award?

Mr. CHARLTON.—I quite agree that we have not the machinery, but I have pointed out on many occasions that there is no power under our laws to compel any one to work.

Mr. ACTING SPEAKER (Hon. F. W. Bamford).—The honorable member's time has expired.



Sir JOSEPH COOK (Parramatta—Acting Prime Minister and Treasurer) [11.57].—I shall pass over the personalities which disfigured the speech of the honorable member who introduced this matter, and say that during the whole of his tirade, lasting over half-an-hour, not one proposal was made with a view to getting over the difficulties with which we are confronted. The same may be said of the last two speakers, and, although there has been plenty of denunciation, not a single proposition has been submitted to assist in getting these men back to work.

Mr. CONSIDINE.—We are willing to sit at the feet of Gamaliel.

Sir JOSEPH COOK.—The onus is on the men. Surely it is the duty of honorable members who have brought this matter before the House to submit a working proposition. The only ray of light has been the suggestion that they should go to the Arbitration Court. The men at Mount Morgan have been to an Arbitration Court presided over by a Judge appointed by the present Deputy Leader of the Opposition (Mr. Ryan), and the appointment of that gentleman, as honorable members are aware, caused a good deal of controversy at the time.

Mr. CONSIDINE.—Is the right honorable gentleman suggesting that there was political influence?

Sir JOSEPH COOK.—I am merely suggesting that this Judge is not biased against the miners, and his decisions show right along the line that he has been most generous to the workers. After fully investigating the matter, the Judge said—

The fact that the company under the present conditions could not work the mines at a profit, and that even with a 20 per cent. reduction in wages, salaries, and contract rates, the mines would still be worked at a loss. The company, however, said that it was "prepared to re-open its mine on a 20 per cent. reduction in wages, salaries, and contract rates being agreed to by the employees, and such an arrangement being approved by the Court of Industrial Arbitration." Such arrangement could not be made unless so much of the award as provided for wages was altered or suspended.

He proposed to suspend those awards in order to meet the position. I shall not read all the judgment, but it is very

instructive reading. The Judge said, further—

The offer which the company had made to carry on without profit while depleting its reserves constituted in some degree a moral obligation to give the employees an opportunity to continue their avocations. As to the consequences should they decide to reject the company's offer, he pointed out that the prospect of obtaining employment was not inviting, nor were the conditions likely to improve. There had been a collapse in the prices of the primary products upon which the prosperity of Australia mainly depended. The consequence of that collapse would be far reaching. Without being pessimistic, prudent men must realize the possibility of a crisis, such as had followed all great wars. Unfortunately, in these crises the workers suffered most, for they in variably brought unemployment in their train. Should they decide to accept the company's offer, they would certainly be in no worse a position than they were at present, and would certainly be in a better position than if they rejected the offer.

Later on he said—

It gives them, as well as you, breathing space. The acceptance of the offer will confer benefits on others seeking employment. For your entering into competition with them merely adds to their distress and difficulties. It may be suggested to you that this offer of the company is part of a plot for a general reduction of wages.

That is the statement which has been made here this morning. Mr. Justice McCawley went on to say—

I am bound to tell you that I think there is not the slightest justification for such a suggestion.

Mr. CONSIDINE.—That meets with the right honorable gentleman's approval?

Sir JOSEPH COOK.—That is what Mr. Justice McCawley said. We are asked to go to the Courts to take the opinions of these Judges. That has been stressed over and over again in the last fifteen minutes. The honorable member for Hunter (Mr. Charlton) said, "Go to the Court and accept the verdict of the Judge." Here is the verdict of the Judge.

Mr. BLAKELEY.—That is not the verdict of the Judge at all, and the right honorable gentleman should not so misrepresent it.

Sir JOSEPH COOK.—What, then, is it?

Mr. BLAKELEY.—It is not a judgment; it is merely an opinion.

Sir JOSEPH COOK.—May I suggest that there is not very much use in going to the Arbitration Court in conditions like these, and for the reason that the



Court has set up certain standards which are all very well so long as an industry is earning a profit, and it pays to carry it on. The Arbitration Court has laid down the dictum that the Court is not to consider whether an industry is paying or earning profits in deciding that a certain basic wage must be paid. It seems to me that dictum, and the conditions fixed irrevocably by the Arbitration Court, are responsible for a very great deal of the unemployment to-day in the metal industry. The price of metals to-day will not give a profit and pay the wages fixed by the Court. Honorable members know very well what happened in the old days. This is not the first time that metals have collapsed. Tin, copper, and lead have temporarily collapsed many a time before, and what used to be done in times past was this: The manager would call his men together, and say, "We cannot go on. We cannot sell our metals." He would agree with the men to go on working, sending the ore to grass. When later on he could realize at remunerative prices, the men would get their wages for all the time they had been at work.

Mr. CONSIDINE.—That was very kind.

Sir JOSEPH COOK.—In the meantime, they were carried on by the manager of the stores until their wages could be paid. Does the honorable member for Barrier (Mr. Considine) know any better way of dealing with the difficulty?

Mr. ANSTEY.—The men were working all the time and getting a bare existence.

Sir JOSEPH COOK.—The honorable member for Barrier is here, and he knows that at Broken Hill the people have had fifteen months bitter experience of the same thing. There is no law in the world, and certainly no decree of any Arbitration Court, which can keep mines working if they do not pay to work.

Mr. CONSIDINE.—And no decree of an Arbitration Court will keep men working if they do not earn enough for a decent existence.

Sir JOSEPH COOK.—Very well; then the only alternative is to close the mines up.

Mr. ANSTEY.—They are saving their ore reserves, and so are the men.

Sir JOSEPH COOK.—Quite so. Let us understand the position. We cannot compel people to work a mine that does not pay.

Mr. CONSIDINE.—And we cannot compel working men to work unless it pays them to do so.

Sir JOSEPH COOK.—I should like to remind honorable members that in this case the working men want to work, and the union of another industry altogether will not let them work. It is not a case of the men not desiring to work, because the men agreed to work.

Mr. BLAKELEY.—They did no such thing. I refer the right honorable gentleman to the last of the resolutions I quoted.

Sir JOSEPH COOK.—My reading of the matter is that at Moonta the men want to go to work.

Mr. RICHARD FOSTER.—Hear, hear!

Mr. ATKINSON.—They do at Mount Lyell also.

Sir JOSEPH COOK.—I understand that it is the same all round. The men at Mount Morgan want to work. But the big union, of which the honorable member for Darling (Mr. Blakeley) is President, says, "You must not go to work under any conditions except such as are prescribed by the Arbitration Court." So it comes to this: These men are out of work, and they go to the Arbitration Court. The Court says that certain wages must be paid, and certain conditions imposed, which the industry cannot afford. That is the dictum laid down by Mr. Justice Higgins. He said in assessing the basic wage in the famous Harvester case, that—

Fair and reasonable remuneration is a condition precedent to exemption from the duty; and the remuneration of the employee is not made to depend upon the profits of the employer. If the profits are nil, the fair and reasonable remuneration must be paid; and if the profits are 100 per cent., it must be paid.

That is the dictum of Mr. Justice Higgins, and the companies say in reply that the price of metals has slumped, in the case of copper from £120 to £77 per ton.

Mr. BLAKELEY.—Will the right honorable gentleman tell us something about the profits accumulated by the companies in the last four years?

Mr. ATKINSON.—The workers did as well as the shareholders of the companies in many cases.

Sir JOSEPH COOK.—I should like to say that in my judgment there were no very abnormal profits made in the metals industry during the war. I remind my honorable friends opposite that all



through the war the prices of metals were strictly controlled. Metals were sold to the Imperial Government, who arbitrarily fixed their own price.

Mr. ANSTREY.—And a very high price at the same time.

Sir JOSEPH COOK.—The price for copper was about £114 per ton, I believe, and the honorable member knows perfectly well that many of the copper mines in Australia cannot carry on at a price below £100 per ton.

Mr. ANSTREY.—At what price can the men work below?

Sir JOSEPH COOK.—The result was that the moment the prices of metals eased most of the mines that had been re-opened during the war were closed down. There is no use in denying the facts.

Mr. CONSIDINE.—The right honorable gentleman says that the price of metals was fixed during the war. Will he kindly inform me what was the price of zinc as fixed by the contract with the British Government? I have been trying to learn that for some time.

Sir JOSEPH COOK.—Here are the prices so far as I can ascertain. The price of copper was from £100 to £120, so that I overstated it somewhat. Honorable members know that, having regard to present conditions of production in Australia, that price would allow of only a very moderate profit.

Mr. CHARLTON.—What was the pre-war price?

Sir JOSEPH COOK.—I do not know. The price of copper to-day is between £76 and £77 per ton, so that there has been a drop of from £30 to £40 per ton. That is the cause of the whole trouble. Honorable members opposite may ignore it as much as they please, but these world prices will have vogue, no matter how we may try to interrupt them. They operate and have to be reckoned with. This is a primary industry, and it cannot be protected in the sense that our secondary industries can; it has to find its market in other parts of the world. [*Extension of time granted.*] The war price of lead fluctuated between £29 and £50 per ton; to-day it is £24 2s. 6d. per ton. Then, again, the war price of tin went up to £430 per ton, whereas the price to-day is £182 per ton. The prices of all these products are subject to world influences.

Mr. CONSIDINE.—The right honorable gentleman promised to give me the war price of zinc.

Sir JOSEPH COOK.—I have not the figures at hand. My view of the situation may be briefly put. When your world prices determine that a mine is unprofitable, you should, as far as possible, try to meet the temporary circumstances as they come about. No attack on unionism is involved in an effort to meet those circumstances in a fair and reasonable spirit. The men, having regard to these conditions, ought to concede something, and when the price increases and the industry is prosperous they ought to participate correspondingly.

Mr. GABB.—That is fair, but the mine owners do not follow that rule.

Sir JOSEPH COOK.—It is perfectly fair. The principle ought to cut, not one way only, but both ways. Rates of labour may be rigidly fixed, but the time will come when the unions, in my opinion, will realize that after all a sliding scale is the proper system to apply to many of these industrial enterprises. The basis of labour should be fixed reasonably, and the rates should slide up or down as the market determines the conditions. I have seen that principle operate with the greatest possible success for forty years under a voluntary system. I see no reason why it should not be applied to-day. You may close your mines down and sit *dhurna* till doomsday, but that will not affect the world's prices by so much as a hair's breadth. My suggestion is that the men meet these local difficulties as they arise. They should make the best terms and conditions consistent with the keeping of the industry going. It is better for them in the long run to be working than to be unemployed.

Mr. CONSIDINE.—No matter what they receive for their labour!

Sir JOSEPH COOK.—That is an idle interjection.

Mr. CONSIDINE.—It is pertinent.

Sir JOSEPH COOK.—It is not. I do not desire that men should be paid less than the industry in which they are employed can afford to pay them. What is the honorable member's proposal?

Mr. CONSIDINE.—I shall tell the House when the right honorable gentleman sits down.



/Sir JOSEPH COOK.—I venture to say that the honorable member will not do so. He will talk at large as others have done. No honorable member has yet touched the actual question.

In conclusion, let me say that I shall be glad to hear of any reasonable proposition for the solution of these difficulties which are piling up about us. I have waited this morning with the greatest disappointment to hear even one constructive proposal made by those who have so far addressed themselves to this question. My proposal is that the men should accept Judge McCawley's suggestion. He is a Judge of the Arbitration Court of Queensland, and has proved again and again that he is in sympathy with the miners. He suggests that they should take the proposed reduction meantime, with certain guarantees as to their future wages when the industry has recovered itself. If honorable members opposite have a better scheme I shall be glad to hear of it.

Mr. WIENHOLT (Moreton) [12.17].—

As a representative of Queensland, necessarily interested in seeing this industry, so important to our State, recover from the position into which it has fallen, I put it to the House that this is not a political but a purely economic question. I am one of those who sympathize with and can understand the feelings of the men who are called upon to face a reduction in their wages. It seems to me, speaking as a soldier, that they are very much in the position of men who have to give up ground that they have won after very heavy fighting. I realize that the situation is a very difficult one for the men to face. No one will deny, however, that you cannot get blood out of a stone, or that half a loaf is better than no bread. I notice that the Queensland State Government has made an offer to subsidize the Mount Morgan Mining Company to the extent of £1,000 per week by way of rebate. Considering the present state of the finances of Queensland and the very unprofitable way in which the State railways have been run of late years, we must to be honest give the State Government full credit for that offer. The giving of a Government subsidy to an industry which cannot stand on its own footing is, however, economically impossible. The honorable member for Maranoa (Mr. James Page) will bear me out when I say that practically every station in Queens-

land is at the present moment working short-handed or under-manned.

Mr. JAMES PAGE.—Hear, hear!

Mr. WIENHOLT.—The whole of the pastoral industry is really in a somewhat similar state, and many men who should be working in connexion with it are now out of employment. It would be just as logical for the State Government to start subsidizing all the other primary industries which, owing to the fall in the price of primary products, are forced now to cut things very fine or absolutely close down.

The only solution of this difficulty which presents itself to me is that which the honorable member for Capricornia (Mr. Higgs) and the Acting Prime Minister (Sir Joseph Cook) have put forward. When, after fair auditing, or after investigation by the Arbitration Court, there is full and sufficient knowledge of the actual working of an industry, it is realized that it cannot be carried on without a reduction in wages, the men ought to accept a reduction, and, to use the expression of the honorable member for Capricornia (Mr. Higgs), wait for better times. But if the workmen accept a reduction in wages to enable an industry to be carried on, they should be assured by the management that, when better times come, as we hope they will, the very first profits earned will be earmarked before any dividends are paid to make up to the men the difference lost by the temporary suspension of the award.

Mr. CONSIDINE (Barrier) [12.21].—

What strikes me in this discussion is that the Acting Prime Minister (Sir Joseph Cook) and other members opposite, in making their so-called suggestions for the settlement of this alleged dispute—for it is not a dispute at all, but simply a refusal of the companies to carry out the award—

Mr. BRENNAN.—It is an *impasse*.

Mr. CONSIDINE.—That word may be all right in the Arbitration Court, but—

Sir JOSEPH COOK.—Is it not really a collapse of the industry?

Mr. CONSIDINE.—No, it is not; the so-called suggestions put forward by honorable members opposite resolve themselves into this: Of all the factors that go to the production of wealth, the only



factor that is invariably asked to bear the burden, when hard times come and profits fall, is, for some reason or other—whether it be the economic situation in Europe or otherwise—the factor of labour. Honorable members opposite talk about Judge McCawley and the Mount Morgan mines, but what do the companies do? Do they complain of high freights? Do they complain about the cost of commodities utilized in the production of ore?

Mr. JOWETT.—They certainly do complain very strongly.

Mr. CONSIDINE.—When the Queensland Government offer a reduction in freight, they repudiate the offer, and put it on one side; the only commodity as to which they desire a reduction of price is the commodity of labour. When it is a question of carrying on an industry, the employer invariably asks the worker, who has his commodity to sell, to bear the burden of bad times. The employer does not say that there should be cheaper coal or cheaper freights.

Mr. JOWETT.—He does say so.

Mr. CONSIDINE.—Nothing of the sort.

Mr. JOWETT.—He asks for cheaper oversea freights.

Mr. CONSIDINE.—I know that the honorable member and those who think with him ask for everything, including, of course, a reduction in the cost of labour.

Mr. JOWETT.—I never asked for that.

Mr. CONSIDINE.—However, those interjections do not touch my argument. The Government had the effrontery to introduce an Industrial Peace Bill, which they told us was going to settle all troubles and pacify industrial conditions in Australia. When speaking on that Bill, I pointed out that it was ridiculous to talk to the workers of Australia about such a measure being a panacea, and that what the Mount Lyell Proprietary had done was the very thing they might be expected to do. So long as an industry is profitable the workers are exploited, but when profits cease, of what value is an arbitration award? The workers can have their award, and yet be permitted to idly walk about the streets. The honorable member for Darling (Mr.

Blakeley) and his confrères on this side have the distinguished honour, on this occasion, of being the upholders of “law and order,” the only “constitutionalists,” while the Acting Prime Minister is prepared to tear an award up as a mere “scrap of paper,” and to talk about “sweet reasonableness” when it is a question of reducing the standard of living of the miners and other workers. What becomes of an award of the Arbitration Court, which, we are told, has all the force of law—is on an equality with all the other laws of the Commonwealth? Those great upholders of law and order—who went to war because a “scrap of paper” was torn up—tell us that awards are all right so long as the boss is making profits; but as soon as the industry ceases to be profitable, the mines must be shut down and the workers starved into submission. Here is a bright little circular which coincides with the views of the Acting Prime Minister and honorable members opposite. It is the share list of Joseph Palmer and Sons, issued on the 19th May, and it contains the following:—

Business in mining shares has been active owing to a rising market for metals. Under normal conditions the outlook would be hopeful, but the short-hour awards have not yet been cancelled; so that many investors still stand aloof. The decision of the directors of Mount Lyell to close down next month is sensible. Governments that have so interfered with the mining industry will now have an opportunity of cancelling their ridiculous awards.

There is the “nigger in the wood pile.” These are the words of a gentleman on the same side as my honorable friends opposite, and he tears away the camouflage when he talks of the “ridiculous awards.” When those who are the real Government shut down mines or close workshops, their political representatives—their political marionettes—cover everything up, and talk about “sweet reasonableness” and a “sliding scale.” There was never a word about a sliding scale during the war when prices were soaring. Did we see the employers at Broken Hill, with tears in their eyes, pursuing and imploring the employees to accept increased wages? No; we had to fight like hell to get a shilling increase.

Sir JOSEPH COOK.—The prices during the war were abnormal.



Mr. CONSIDINE.—The prices during the war were such that the Government have not yet disclosed the price of the zinc concentrates sold by the Zinc Producing Association to the Imperial Government, though I have repeatedly asked for it. Yet we hear talk of Arbitration Courts and Wages Boards fixing wages. How can they do so?

Sir JOSEPH COOK.—I do not see why you should not have been given the information.

Mr. CONSIDINE.—I have asked you, and your chief (Mr. Hughes) repeatedly for it, both by questions on the notice-paper and verbally, and I have been refused on every occasion. Yet Mr. Bailieu can deliver speeches at Collins House declaring that everything is satisfactory. The Government of the country are, apparently, absolutely ignorant of the facts, or, if not ignorant, something worse. I say quite candidly that, so far as I am concerned, there is no organization of workers in this country which will accept reduced wages, and there is no reason why any organization should. I am concerned with the fact that the people who actually produce the wealth of this country are to be asked to have their standard of living reduced.

Mr. GREGORY.—What is to be the alternative?

Mr. CONSIDINE.—The alternative which I suggest to the workers is that they organize themselves for the purpose of taking over the wealth-producing agencies of the Commonwealth and running them in their own interests, which are not the interests of those who at present are ruling and robbing them.

Mr. GREGORY.—But, you know, you can only do that by constitutional methods.

Mr. CONSIDINE.—The honorable member for Dampier can apply what adjectives he likes. I want to see the thing done. I do not care how, so long as it is done; peaceably if possible, but it shall be done.

Mr. GREGORY.—You must first secure a majority of the people of your opinion.

Mr. HECTOR LAMOND.—How would co-operative or communistic ownership on the Mount Lyell mine make it pay?

Mr. CONSIDINE.—Communist ownership of Mount Lyell mine or of any other wealth-producing agencies in this or any other country would not be concerned with the question of making enter-

prises "pay" at all. It would be concerned only with the question of producing for use, not for profit.

Mr. HECTOR LAMOND.—Australia uses only about 10 per cent. of the base metal supplies. That being so, how many men could be profitably employed at Mount Lyell?

Mr. CONSIDINE.—The honorable member has asked me a question, and, apparently, he has answered it. If he does not want information from me that is no concern of mine.

Mr. HECTOR LAMOND.—I do not want information on that point. I know what the result would be.

Mr. CONSIDINE.—Apparently, then, the honorable member is only interjecting in order to make himself a general nuisance.

Mr. HECTOR LAMOND.—No. I merely want to demonstrate the hollowness of your own argument.

Mr. CONSIDINE.—The honorable member has asked me what is the solution of the present difficulty. I say that in the existing order of things there is no solution.

Sir JOSEPH COOK.—The honorable member is talking folly now.

Mr. CONSIDINE.—Wages Boards, Arbitration Courts, and all the other paraphernalia of the capitalistic system have only been created for the purpose of fooling the worker and camouflaging the robbery that is going on.

Mr. HECTOR LAMOND.—The honorable member is more honest than other honorable members behind him.

Mr. CONSIDINE.—I cannot claim to be more honest than members of the Labour party who are sitting on my side of the House. I give them credit for honesty and sincerity, too. The only difference between us is they take a different view of these matters. They believe in Arbitration Courts and Wages Boards decisions, whereas I do not. I believe that under the existing social order Arbitration Courts and Wages Boards are merely being utilized for the purpose of fooling the workers. They operate only when times are good. As soon as profits fall they become useless, and, as in the case of the Mount Lyell mine, the boss shuts down on operations and goes for a walk down Collins-street with a cigar in his mouth in a totally happy frame of mind, while the other fellow has to look round for another job.



Mr. WIENHOLT.—The honorable member's solution of the problem is at the end of the rainbow.

Mr. CONSIDINE.—No it is not. It is very much nearer to the honorable member's residence and his interests than the end of the rainbow.

Sir JOSEPH COOK.—The honorable member for Barrier is now after the honorable member for Moreton.

Mr. CONSIDINE.—I am after the lot of you. What is the result of the present system, anyhow? The New South Wales Government have paid over £90,000 on account of the unemployment and distress in Broken Hill. Every man in the Commonwealth who is out of work has to be fed, even if unemployed. The community has to pay in one way or another. You cannot deny it. You cannot allow men and women to drop down in the streets and meet the same fate as your late enemies, the people in Central Europe. You cannot do that with our own people, because you may want them to fight another war to-morrow. And so you have to feed them. You have to keep some life in their bodies so that they may be physically fit and ready to man the factories and mines when they reopen, so that your capitalist friends may exploit the workers again.

Mr. HILL.—Do you not think that there is plenty of work for everybody that wants to work?

Mr. CONSIDINE.—There is a good deal of work which the honorable member may do, if he is prepared to do it.

Mr. GREGORY.—He has some concern, at all events, for the wives and children of the workers.

Mr. CONSIDINE.—I do not know that honorable members opposite can claim to have any monopoly of sympathy for the wives and children of the people of this country. The honorable member for Dampier (Mr. Gregory) has been too busy lately looking after the importing interests in connexion with the Tariff to have spare time for anything else. Honorable members opposite, when our mines and factories are not operating, and when men and women are walking about the streets in idleness, suggest that they should accept work at a reduced scale. They would be damned fools if they did that. They are the people who produce the wealth, and when they wake up to

that fact, and recognise their true power—

Mr. GREGORY.—They will destroy you when they wake up.

Mr. CONSIDINE.—Possibly. Better men than I am have been destroyed for telling the truth to the working classes, and that may be my fate some day. Nevertheless, it will not prevent me from telling the workers the truth as I see it, though I might be in the same position as some of the honorable member's flag-flapping patriotic friends placed Ernie Judd in Sydney the other day.

Mr. ACTING SPEAKER (Hon. F. W. Bamford).—Order!

Mr. CONSIDINE.—Even if that is going to be my fate, it will not prevent me from telling the people what I believe to be the truth. If I am to go down, it is possible that I may be more powerful dead than alive.

Mr. BELL (Darwin) [12.37].—The state of the market for base metals is a matter of very grave concern to the whole of the people of Australia to-day, and more especially to the people in my division, where the Mount Lyell mine is situated; but I do not propose to discuss the merits of the present trouble for the simple reason that Mr. Justice Powers has convened a compulsory Conference for to-morrow, when representatives of the mine-owners and representatives of the workers in the mine will, no doubt, meet together to consider the situation. Apart from the fact that a compulsory Conference has been called, I, together with other Parliamentary representatives from Tasmania, have been asked by the people of Queenstown and district, who are immediately concerned in the questions, to use my best influence to bring about a settlement of the present trouble. We all recognise that it would be a terrible calamity to the workers, particularly those in my district, if work at Mount Lyell should be discontinued. For these reasons I do not intend at this stage to discuss the merits of the existing dispute. No member of this House would be doing his duty if he did not use every influence at his command to effect a settlement, and prevent the closing of Mount Lyell, or other mines similarly situated, because many thousands of people, in addition to mine workers and their families, will be affected. Certain



statements have been made by the honorable member for Darling (Mr. Blakeley), and the honorable member for Hunter (Mr. Charlton). I am not calling into question their good intentions in bringing this matter before the House, nor do I question their honesty of purpose in presenting the case as they have done; but because it is possible that a wrong impression may have been conveyed to honorable members as to the position at Mount Lyell, I want, if I may, to read a few paragraphs from a circular issued by the Mount Lyell directors to the shareholders. In doing this I will not be discussing the merits of the case at all. I merely want to show that the dispute, if we can call it such, which is likely to bring about the closing down of the mine, is not a question of a reduction of wages at all. I want that to be clearly understood. The honorable member for Hunter emphasized that the men were called upon to accept a lower rate of wages, that they had not in the past received more than they needed to live on. Certain proposals were put forward, the adoption of which would have meant the reduction of wages, and there was a great deal of discussion about them. But the issue now is set out in the following statement:—

The directors placed the following proposals before the delegates:—

1. The combined unions to undertake to recommend the underground men to accept the proposal that the hours of working underground be 40 and 48 in alternative weeks.

2. The combined unions to use their best endeavours and co-operate with the company by assisting in securing within a period of two months from date 200 additional men to those already employed (60 competent miners and 140 competent underground mine labourers), with a view of securing an output of 525 tons of blister copper per four-weekly period.

3. Should the additional labour referred to in clause 2 become available at the mines before the 30th June, 1921, the company to agree to continue operations for a period of four months thereafter, provided that during such period—

(a) An output of ore be maintained sufficient to produce 525 tons of copper during each four-weekly period; and

(b) existing rates of wages, conditions of working, and weekly hours of work (subject to clause 1) be continued; and

(c) the London price of electrolytic copper is not quoted below £70 per ton for fourteen consecutive days.

4. If before the 31st October, 1921—

(a) There be any inordinate increase in costs other than the direct costs of production; or

(b) the financial position of the company becomes such as, in the opinion of the Board, not to justify the continuance of operations in the mines and smelters; or

(c) any other unforeseen circumstances occur adversely affecting the company's undertakings, and its ability to continue its mining and smelting operations,

the Board to summon a further conference to review the position.

5. The combined unions to undertake to use their best efforts to reduce absenteeism and increase working efficiency.

6. The directors to continue to make every endeavour to effect further economies in all departments.

7. The foregoing offer is made without prejudice, and will lapse, if not definitely accepted on or before 9th May, 1921.

At the present time, forty-four hours are worked weekly. As has been explained the executive of the Australian Workers Union, after considering the matter in Melbourne, refused to allow the proposals of the company to be accepted. For the moment I shall not say whether the miners of Mount Lyell were or were not prepared to accept them. We have been told in the daily press that they would accept them. Nor am I going to discuss now the merits of the case. I am content to state the actual position, so that members who take an interest in the matter may know the facts. The reduction of wages is not involved in the present proposals of the company. What is suggested is the rearrangement of the working hours, and the undertaking is asked for that the utmost will be done to get sufficient labour to produce a certain quantity of ore. The honorable member for Darling, after mentioning that a compulsory conference had been called to consider the matter, added that he did not expect anything to come of it.

MR. BLAKELEY. — That is so; the two parties cannot agree.

MR. BELL.—I hope that that is not so, and that some agreement may be come to under which the mine may continue open. If no such agreement is come to, operations will cease on the 16th of next month. I trust that members opposite understand what that will involve. I do not presume to make any suggestion to



the honorable member for Darling, who is president of the Australian Workers Union, but I ask him to consider all the circumstances.

Mr. BLAKELEY.—You ask me to accept the directors' instructions, and I reply that I shall not do so.

Mr. BELL.—I ask nothing of the kind; I merely express the hope that, before any member of the executive of which the honorable member is president definitely refuses to agree to the proposals of the company, he will go to Queens-town, learn on the spot what the conditions are, talk with the miners themselves, and try to understand the point of view of those most concerned.

Mr. BLAKELEY.—I have stated to the House the men's mandate.

Mr. BELL.—Perhaps at a future date I may have an opportunity to answer some of the arguments of the honorable member and of the honorable member for Hunter (Mr. Charlton). Nothing would please me better than to do so. But at present, because of the Conference, and because I may be in a position to go between the parties, and assist in bringing about a settlement which will be in their common interest, and especially in the interests of the workers, I refrain from saying anything further.

Mr. HIGGS (Capricornia) [12.48].—I am glad of the opportunity to say a few words on this subject, though I wish there were time for its longer discussion. Australia, like every other part of the world, is now confronted with the industrial and commercial troubles that inevitably follow a big war. I have given advice to the miners of Mount Morgan and to the workers of Australia, but the honorable member for Darling (Mr. Blakeley) quoted only a portion of that advice. I suggested that the workers should commence by changing the editors of the chief Labour newspapers—the *Sydney Worker*, the *Brisbane Worker*, and the *Daily Standard*—men who are disseminating hatred and false doctrine in the community.

Mr. CONSIDINE.—Bread or blood!

Mr. HIGGS.—The honorable member for Darling misquoted me. I did not use the words that he attributed to me in Sydney. As a matter of fact they were spoken in Brisbane, and then only as a

historical reference to what happened in Brisbane about the year 1866. I made no demand for "bread or blood." I cannot permit honorable members to suggest that I have no sympathy with the miners of Mount Morgan. I know what mining is. It is an arduous, dangerous and unhealthy occupation. I know that medical men at Mount Morgan say to some miners, "As soon as you have been three years in the mine, get out to some other occupation"; but I also know that there are thousands of men willing to go there to work, because under the contract system they can earn from £5 to £7 per week. I do not like one feature about the proposed reduction, and that is the deduction of 12s. or 14s. per week from the wages of the lower-paid men, who are earning £3 or £3 10s. per week. If the executive of the Australian Workers Union would take up a reasonable attitude and discuss the matter with the representatives of the employers they might be able to make some differentiation in favour of the lower-paid men.

Mr. BLAKELEY.—But still there would be a reduction.

Mr. HIGGS.—Yes. But the attitude of the honorable member and his executive is to fight all reductions.

Mr. BLAKELEY.—Hear, hear!

Mr. HIGGS.—The capital of the Mount Morgan Company consists of 1,000,000 £1 shares. No dividend has been paid for the last twelve months, and the present value of the shares, according to the latest quotations, is 12s. sellers and 11s. buyers. It is true the mine has paid millions in dividends, but the present owners of the mine have not received those millions. If the company were to be relieved of the cost of £2,400 per week referred to already, it would still not be in a position to pay dividends—that £2,400 per week is bedrock—but if the miners will accept the proposed reduction the company are prepared to give them a *pro rata* increase upon any increase in the price of copper beyond £74 per ton. The accountants who conducted the recent investigation agreed, and, apparently, the honorable member for Darling (Mr. Blakeley) concurs, that the company have been losing £18 per ton for every ton of copper produced from the mine.

The executive of the Australian Workers Union have taken up a very dangerous attitude. They will need to



be very careful that their organization is not broken up in any crisis which may afflict this country owing to their refusal to meet the other side and to realize that the price of copper is decided by the outside world. It will be deplorable if, as has happened before in history, trade unions should be broken up. The honorable member takes the risk of that. Men may refuse to take tickets in the Australian Workers Union if the foolish guides I have referred to bring about unemployment and distress by advising workers to take a wrong course.

I have not time to go into this matter fully. I would say that the miners ought to accept the advice of Judge McCawley, but it is deplorable that, although a Judge of an Arbitration Court has made up his mind that there ought to be a reduction in wages, there is no means by which he and his Court can intervene.

Mr. BLAKELEY. — Judge McCawley does not suggest that there ought to be a reduction. He suggests keeping the industry going, and that, by no means, can be regarded as a judgment.

Mr. HIGGS.—It is unfortunate that a Judge of an Arbitration Court should by offering the miners advice and suggesting a ballot surrender his high office to Bolshevistic and mob orators.

Mr. BLAKELEY.—“Bread or blood!”

Mr. CONSIDINE.—The honorable member for Capricornia was not long ago one of the mob orators of Australia.

Mr. HIGGS.—No, never a mob orator; but the honorable member for Barrier is one of the Bolshevistic orators.

Mr. ACTING SPEAKER (Hon. F. W. Bamford).—The honorable member for Capricornia is transgressing the Standing Orders.

Mr. HIGGS.—With all due respect, sir, I point out that the honorable gentleman opposite has abused me and criticised my remarks. In any case, I am sure the honorable member for Barrier regards “Bolshevistic” as a term of endearment.

Mr. BLAKELEY.—The honorable member for Barrier in his speech made no mention of the honorable member for Capricornia.

Mr. HIGGS.—Possibly not, but he is more courageous than others, and unwittingly or unconsciously is one of those

Bolshevistic orators or false guides to whom I have referred. For instance, he claims that our Arbitration Courts and industrial awards are valueless, and he says that we want a change in the capitalistic system of society. He is prepared to achieve that change by peaceful means if possible, but, anyhow, he says it ought to be settled—meaning, by innuendo, that he is prepared to achieve it by force if he can get sufficient people to follow him. Does the honorable member deny this?

Mr. CONSIDINE.—The honorable member can place whatever interpretation he chooses upon my remarks.

Mr. HIGGS.—The honorable member does not deny what I have said. In my time, as a contributor to the columns of the Labour press, I never proposed what the present-day editors of that press propose, namely, the abolition of capitalism. In my time the proposal was that we should do what we possibly could in our day and generation to achieve State co-operation and municipal co-operation. That is what I said every week in the columns of the *Worker*. I did not describe—as Mr. Boote, the editor of the *Sydney Worker* has done—every employer as a thief. I did not, as the editor of the *Brisbane Worker* has done, call interest robbery. What is capitalism, or the present capitalistic state of society? A man saves his money and builds a house, for which he receives rent or invests it in a business, and derives a profit or buys war bonds or other stocks and draws interest upon them. When we pioneers started out to bring about a better condition of things in Australia these gentlemen opposite—Messrs. Blakeley and Considine—were babes in arms. We succeeded so well in improving the state of society and the distribution of wealth that nearly all the men who are leading the Labour movement to-day have money or own property, from which they are earning interest or rent, or profits.

Mr. CONSIDINE.—Do they differ from the bishops or priests who are getting money for preaching Christianity?

Mr. ACTING SPEAKER (Hon. F. W. Bamford).—Order! Will honorable members allow the honorable member for Capricornia to proceed?

Mr. HIGGS.—I claim that the false guides of the Official Labour party are



wrong in telling the workers that they ought to believe in a materialistic conception of the universe, and that if only capitalism could be abolished all the ills to which flesh is heir could be swept away.

Mr. GABB.—We do not teach materialism.

Mr. HIGGS.—Some false guides of the Official Labour party do. Is not the communism of to-day as it exists in Russia based on the "materialistic conception of the universe?"

Mr. GABB.—The Labour party does not stand for that.

Mr. HIGGS.—Communism, the condition of society which the honorable member for Barrier would introduce into this country, is in vogue in Russia, as far as Lenin, Trotsky, and others can put it into vogue. They have destroyed trade and shut up all the shops.

Mr. CONSIDINE.—And Great Britain has signed a trade agreement with them.

Mr. HIGGS.—Yes, because Lenin has so far departed from communism as to deal with the capitalists the honorable member for Barrier wishes to abolish; and if I am any judge, he will, as time goes on, find that he will be obliged to shed his communistic principles, discard those who believe in communism, and get practical men around him.

*Debate interrupted under standing order 119.*

*Sitting suspended from 1 to 2.15 p.m.*

## WAR SERVICE HOMES.

### COLONEL WALKER'S EVIDENCE.

Mr. RILEY (for Dr. MALONEY) asked the Acting Prime Minister, *upon notice*—

1. Has the Government noticed the evidence given by Colonel Walker, as set out in pages 307, 308 and 311 of the record of evidence taken by the Joint Committee of Public Accounts, in which he stated that, in his presence, Mr. Caldwell had signed a certain document, which afterwards Colonel Walker admitted had not been signed by Mr. Caldwell?

2. Will the Minister refer to the Honorable the Attorney-General the question as to what action is to be taken in respect of this evidence?

3. Is the crime of perjury before the Committee defined by Statute, and is action provided for where any witnesses give false evidence before the Committee?

4. If so, is there any reason why the law should not be respected and put in motion?

5. What is the policy of the Government as regards witnesses being allowed to give false

evidence before the Joint Committee of Public Accounts—is it to allow them to remain unpunished or to be proceeded against?

Sir JOSEPH COOK.—The answers to the honorable member's questions are as follow:—

1, 2, and 4. The subject-matter of the honorable member's question will be taken into consideration.

3. The honorable member is referred to section 6 of the Committee of Public Accounts Act 1913.

5. It is unnecessary to answer this question.

## POSTAL DEPARTMENT.

### PAY OF TEMPORARY EMPLOYEES AND CLERICAL DIVISION.

Mr. RILEY asked the Postmaster-General, *upon notice*—

1. Are married men employed temporarily as letter-carriers in his Department receiving only the same wages as single men?

2. Is it the policy of his Department to pay the basic wage allowance only to married men on the permanent staff and withhold the payment of the child allowance from married men on the temporary staff, whose hardships exceed those of the permanent employees, owing to the uncertainty of continued employment?

3. Will the Minister cause a general rule to be made irrespective of any conditions that may at present exist, and authorize the payment to all married men employed temporarily of allowances similar to those granted to permanent officers?

Mr. WISE.—The Acting Public Service Commissioner has furnished the following information:—

1. No distinction is made between married men and single men who are temporary employees in the matter of rates of pay, and the rates are based upon the remuneration for married permanent officers. Child endowment is not, however, paid to single men.

2. No. Permanent officers and temporary employees are treated alike as regards basic wage allowance and child endowment.

3. See answer to 2.

Mr. WISE.—Yesterday the honorable member for Hume (Mr. Parker Moloney) asked the following questions:—

1. Whether 23 out of a total of 35 officers of the Clerical Division, 5th Class, Engineer's Branch, Postmaster-General's Department, Victoria, are at present receiving the maximum salary of £210 per annum?

2. Will practically the whole of these officers, with the exception of about half-a-dozen, be in receipt of the maximum salary by 1st March, 1922?

3. How many promotions from Class 5 to Class 4 have there been within this branch during the past ten years?

4. If there are an extraordinary number of these 5th Class-officers who are in receipt of the maximum salary, and whose chance of promotion within the Postmaster-General's



Department is consequently remote, has any proposal been considered in the direction of providing them with an opportunity of transfer to other Departments where the chances of promotions are more favorable.

5. If not, will the Minister take steps to have full consideration given to such a proposal, so that justice may be done to these officers?

The Acting Public Service Commissioner has now furnished the following information:—

1. Yes.
2. Yes.
3. Eleven.

4 and 5. Applications for transfer to other Departments are received from time to time, and these are given full consideration, subject to the requirements of the Departments concerned.

## FALLEN SOLDIERS' MEMORIALS.

Mr. RILEY (for Mr. BLAKELEY) asked the Acting Prime Minister, *upon notice*—

1. Whether he will supply the date of the regulation, if any, prohibiting the raising of funds for the purpose of building memorials to the memory of fallen soldiers, and on what date such regulation took effect?

2. Did such regulation, if any, prohibit the use of funds for the same purpose which had been collected prior to the operation of such regulation?

Sir JOSEPH COOK.—The answers to the honorable member's questions are as follow:—

1. The regulation prohibiting the raising of money for a monument or memorial or other form of commemoration, of persons who had volunteered for service or had served in connexion with the war, without the approval of the Repatriation Commission or a State Repatriation Board was brought into operation by Statutory Rule No. 274 of 1917, and took effect from the 24th October, 1917. The regulation was repealed on the 2nd April, 1919, by Statutory Rule No. 75, of 1919.

2. The regulation did not prohibit the use of funds collected prior to the regulation coming into force.

## TARIFF.

*In Committee of Ways and Means:*

Consideration resumed from 26th May (*vide* page 8704).

DIVISION V.—TEXTILES, FELTS AND FURS AND MANUFACTURES THEREOF, AND ATTIRE.

Item 115—

Socks and stockings for human attire,

*viz.*:—

- (A) Cotton, ad val., British, 30 per cent.; intermediate, 40 per cent.; general, 45 per cent.

(B) Woollen or containing wool, ad val., British, 35 per cent.; intermediate, 45 per cent.; general, 50 per cent.

(C) Silk or containing silk, but not containing wool, and *n.e.i.*, ad val., British, 30 per cent.; intermediate, 40 per cent.; general, 45 per cent.

Upon which Mr. FOLEY had moved—

That after the words "30 per cent." (British), in sub-item (A), the following words be inserted:—"and on and after 27th May, 1921, 10 per cent."

Mr. JOWETT (Grampians) [2.19].—I regret that I have to oppose the amendment, but I do not think that the mover and those who are supporting him quite realize the difficulties in which the amendment, if carried, would place the local manufacturers of woollen socks. There are in Australia a large number of factories for the knitting of woollen socks, which is an important and valuable industry. So far as I can ascertain, the position in regard to woollen socks is very much the same as that in regard to the manufacture of cloths and woollens of every description. During and since the war the local manufacturers have not charged those extravagant and preposterous prices which have been demanded for imported goods. On matters of this description one should speak from his own knowledge. For the last pair of socks made of pure merino wool which I bought I had to pay 8s. 6d. It may be said that they were probably made in Australia, but I know that they were not, because they had red clocks upon them, and I understand that no Australian-made socks have that ornamentation. Certainly, they were most excellent socks. The most serious competitor with the locally-made woollen sock is the imported cotton sock. Therefore, so far from supporting the amendment, I intend to move, later, that the British preferential duty on cotton socks shall be the same as on woollen socks. I can see no justification for the duty on woollen socks being higher than on cotton socks. I do not think honorable members are aware of the parlous state of woollen sock factories owing to the locally-made article being undercut by the cheaper cotton sock. Not one man or woman would willingly buy cotton socks if he or she could avoid it. These socks are bought only because they are considered to be ever so much cheaper than the woollen article. As a matter of



fact, cotton socks and stockings are not cheaper. I have in my hand a pair of socks made out of high-priced merino wool. I have been through the factory in which they were made, and have seen the yarn from which they were knitted. I believe that they will outwear ten pairs of cotton socks, and they can probably be bought for less than double the price of the cotton article. The cheapest socks I have seen displayed in any shop have been American-made cotton socks marked 1s. 11d. per pair. But what this Committee has to consider is the price charged by the manufacturer for the locally-produced article, and not the price at which it is retailed. It is unfair to accuse our Australian manufacturers of charging exorbitant prices for their goods when we know that those prices have been put upon their goods after they have sold them. The cheapest competing cotton sock to-day is retailed at 1s. 11d. per pair.

Mr. HECTOR LAMOND.—It is only fair to say that the cotton socks and stockings which are manufactured in Australia are sold to the wholesalers.

Mr. JOWETT.—Am I not asking for an increase of the duty which is levied upon those cotton socks and stockings?

Mr. HECTOR LAMOND.—But the honorable member is comparing the retail price of cotton socks with the wholesale price of woollen socks. The price of Australian stockings is about 1s. per pair.

Mr. JOWETT.—I am very grateful to the honorable member for supplying me with that information. The socks made from pure Australian merino wool which I hold in my hand are of splendid quality.

Mr. RICHARD FOSTER.—They are very good.

Mr. JOWETT.—The honorable member for Wakefield has never seen anything better. The wholesale price of these socks is 24s. per dozen, or 2s. per pair.

Mr. HECTOR LAMOND.—They are retailed at about 5s. 6d. per pair.

Mr. JOWETT.—I have no doubt of that. If the public could buy these socks at a retail price corresponding to 2s. per pair wholesale, every factory in the Commonwealth would be working night and day. But owing to the country being flooded with cheap cotton socks from abroad, the company of which I am speak-

ing, has 90 per cent. of the knitting machines in its factory lying idle.

Mr. RICHARD FOSTER.—Why, it could sell thousands of dozens of those socks!

Mr. JOWETT.—I assure the honorable member that I can take him to the factory to-morrow, and prove to him that only about 10 per cent. of its knitting machines are working. I can promise him a great treat if he will accompany me upon such a visit.

Mr. HECTOR LAMOND.—Does the factory sell to all comers?

Mr. JOWETT.—I do not know. I understand, however, that it will sell to the retail trade.

Mr. HECTOR LAMOND.—A great number of these factories are owned by retail firms.

Mr. JOWETT.—That is not the case here. I have already said that the wholesale price of these socks is 24s. per dozen. To retail shops they are sold at 27s. 6d. per dozen. It has been said that to be a true Protectionist one must levy duties only upon those goods which can be manufactured in Australia. Even from that standpoint, I urge that a duty should be placed upon cotton socks and stockings at least equal to the duty which has been imposed upon woollen socks and stockings. We not merely desire to encourage the manufacture of these goods in the Commonwealth, but to prevent the underselling of the locally manufactured article by cheaper imported cotton socks. When the amendment has been disposed of, I shall move that the duty upon cotton socks and stockings be similar to that which has been levied upon woollen socks and stockings.

Mr. GREGORY (Dampier) [2.38].—Honorable members will no doubt appreciate the difficulty under which I am labouring at the present moment. I hope that when we reach a few of the more important items in the schedule, the speech delivered by the honorable member who has just resumed his seat will be forgotten. Whilst the honorable member for Barrier (Mr. Considine) was addressing the Committee last evening I could not help thinking that he was not viewing this question fairly. When he said that imported socks and stockings were not wanted in this country, he could not have been thinking of those persons who are compelled to buy the cheaper



class of socks and stockings owing to the stress of financial circumstances. That section of the community is worthy of our very best consideration. Of course, I am speaking only of the socks and stockings which are imported from within the Empire. I am quite prepared to levy a much heavier duty upon American socks and stockings than I am prepared to impose upon socks and stockings of British origin. In 1919-20 the cotton socks and stockings imported into this country from Great Britain were valued at £301,000, those from the United States of America were valued at £42,000, and those from Japan at £70,000. The duty paid upon these goods last year was £109,000, but it must be remembered that during the major portion of the year the old Tariff, under which cotton socks were admitted free, was operative. Assuming that the same quantity of socks is imported during the present year—and I presume that this will be the case—

Mr. RILEY.—No; there are more manufacturers of these goods in Australia now.

Mr. GREGORY.—But our local manufacturers of cotton socks have not yet got into the wholesale market. Assuming that we import this year the same quantity of cotton socks as was imported last year, the public of Australia will be penalized to the extent of £258,000. That sum represents the difference between the duties which will be payable this year and the duties which were payable last year. If the proposed duty were a revenue duty I would not object so strongly to it, although I prefer to see revenue duties confined as far as possible to luxuries. But in the present instance the duty will fall almost exclusively upon the poorer section of the community. My own opinion is that a Committee should have been appointed to investigate the balance-sheets of the different companies who are engaged in this particular industry for the purpose of obtaining sworn information from them, which would have been of great value in enabling us to arrive at what is a fair duty in all the circumstances of the case.

Mr. CORSER.—How many years would it have taken to get that information?

Mr. GREGORY.—The Inter-State Commission or the Tariff Commission

could have obtained it. Surely the honorable member does not desire to levy duties in order to make millionaires of a few persons.

Mr. JACKSON.—What about making millionaires amongst the importers?

Mr. GREGORY.—Despite what has been said to the contrary, cotton socks and stockings are not manufactured in Australia upon any large scale.

Mr. CORSER.—Does the honorable member know that 3,500 dozen pairs of socks per week are being manufactured by one establishment abroad?

Mr. GREGORY.—Is the honorable member referring to Bond's?

Mr. CORSER.—Yes.

Mr. GREGORY.—I have before me that firm's advertisement in the *Sydney Sun*. It advertises silk socks and stockings of every description, but there is not a word in its advertisement about cotton socks.

Mr. CORSER.—I was speaking of cotton socks when I said that Bond's are manufacturing 3,500 dozen pairs per week.

Mr. GREGORY.—If the honorable member were to ask that firm for a quotation for 100,000 pairs of cotton socks to-morrow he would be unable to get it. I emphasize that there should be proper investigation into these matters. Possibly the information given me has been subject to influence in a certain direction. It may be tainted. I cannot say; but I do not think so. However, this Committee should secure ample evidence before it places such a grave imposition as is proposed upon the general community. Some time ago the principal of a big firm told me that he had placed an order with a large Melbourne manufacturer for the supply of a line of cotton socks. Owing to war conditions, the price rose to 24s. a dozen pairs, and the manufacturer informed the intending purchaser that he would not be able to deliver at the figure agreed upon. The merchant repeated his order at a higher price, but even then the socks were not delivered.

Mr. RICHARD FOSTER.—That would be due to lack of suitable machinery during the war period.

Mr. GREGORY.—No; the price quoted by the manufacturer in each instance was only a little below what it



would have cost the merchant to secure imported socks. And that is the policy of the manufacturer here. I ask the Minister (Mr. Greene) to agree to allow this item of duty to remain in abeyance until there can be absolute assurance that cotton socks can be manufactured here of suitable quality, and in sufficient quantity to meet our market requirements. No one will say that they cannot be made in Australia. In reply to the contention of the manufacturers, to whose advertisement I have already referred, that they can and do produce cotton hose, the comments furnished to me are as follow:—

The fact remains that, with all this firm's alleged facilities for manufacturing cotton hosiery, they have consistently adhered to the policy of manufacturing silk hosiery. They claim they can now produce a certain output of cotton hosiery, that is, socks and stockings, but where are the visible signs of its attempted competition in the local markets, in view of their statement that they can turn out 42,000 pairs weekly? Their advertisements do not mention cotton socks or stockings. Why do they not utilize the yarn they state they have on hand and begin operations at once, instead of contenting themselves with an assertion that "they can produce" not "they do produce"?

There is the trouble. We have not the information concerning actual production before us.—No particulars have been provided to justify the assumption that there are factories in Australia that can produce anything approximating to local requirements.

**Mr. CHARLTON** (Hunter) [2.50].—It has been claimed by honorable members who are seeking to reduce this duty that their purpose is to make socks and stockings cheaper. The Tariff with which we are dealing is not a new thing which will henceforth and for the first time affect prices. It has been in existence for a year; and, unless this Committee now further increases rates, it will not be correct to assert that prices ruling to-day will be detrimentally influenced by the Tariff schedule under consideration. It would appear—at any rate, according to some honorable members,—that we should not endeavour to establish any new industries in Australia. Their arguments may be summed up thus:—"Let us wait until we see that Australian manufacturers can produce these things; then we will give them protection." If that policy were adopted, there would be no

industries established here at all. How can we hope to increase our population and support it unless we encourage the expansion of Australian industry? Preference to the United Kingdom is well and good, and I believe in it; but first preference should be for Australia. Why should we not create and foster a true Australian sentiment? I call the closest attention of honorable members to the following letter, which has been addressed to the Leader of the Labour party, the honorable member for Yarra (Mr. Tudor), by Messrs. George A. Bond & Co. Ltd.:—

As the statement has frequently been given utterance to during discussions on the Tariff, that cotton hose is not being made in Australia—the inference being that cotton hose cannot be made in Australia—we are writing to inform you, sir, that this inference is absolutely and unreservedly untrue.

We are providing practical proof that it is untrue by posting you under separate cover a sample pair of cotton hose which was made at our mills at Redfern, New South Wales. With the machinery now in operation at these mills, and from yarn now on hand, we can produce such cotton hose at the rate of 3,500 dozen pairs per week. Furthermore, every pair of hose we are now making, whether it be artificial silk or pure silk, features cotton toes, cotton heels, cotton soles, and cotton tops.

At the present juncture we have concentrated on the manufacture of artificial silk and pure silk hose, largely for the reason that owing to the huge quantities of cotton hose (imported from Japan and the United States of America) now in bond, and in warehouses, the market for this class of goods has been greatly over supplied. At any time, by the mere act of interchanging bobbins, the machines now turning out artificial silk and pure silk hosiery can be deflected to the efficient and economical production of cotton hose.

We also desire to draw your attention to another aspect of the question of the hosiery Tariff—an aspect doubly important in view of the oft-repeated canard that protective duties are invariably paid for by the Australian consumer. During recent years it was the marketing of Australian-made artificial silk-ankle hose which caused thousands of dozens of pairs of American-made hose of similar type, which had cost the importer 58s. per dozen to land, to be sold wholesale at 39s. per dozen. This means that for the goods in question the price to the consumer was reduced, approximately, 100 per cent.

During the war, it was our consistent policy to maintain our prices at the lowest possible level. We voluntarily reduced our charges much below those necessary to secure preference from the trade against the foreign-made article, as we realized that in achieving the maximum output lay the only sound



method of solidly establishing our hosiery-making enterprise. It is our intention to perpetuate this policy, and as increased production permits it, to still further reduce our prices, keeping the cost to the consumer at the lowest level consonant with the maintenance of the wages and working conditions justifiably demanded by Australian legislation.

Up to the present, our company has invested over £300,000 in hosiery production in Australia. Our factory, now in operation at Mallett-street, Redfern, New South Wales, employs over 300 hands, while new buildings, in course of erection, adjoining the existing factory, will cost over £25,000, and will employ another 300 hands. (Unfortunately, work on the extensions has been held up during the Tariff discussions owing to the possibility of the importing interests prevailing.)

Should the Protective Tariff be withdrawn, Australia must become the dumping ground for foreign-made hosiery. The Australian industry will be unable to survive. Capital invested in it must be withdrawn. Our foreign debt will be added to through over-importation, and a practical avenue for that increased production which all parties have rightly and repeatedly claimed to be the one safeguard of our national stability will be closed.

The immediate effect in our own case will be to prevent the extension of operations, and to cause loss of employment to some hundreds of Australian men and women.

We trust, sir, that having thus put the plain facts of the case before you, you will give full consideration to the claims of the Australian hosiery manufacturing industry in its national aspect, when the matter comes to the vote in the House.

We extend to you a hearty invitation to visit our factory at Redfern, and to inspect the range of goods there produced, which is on view at our offices in 308 Flinders-lane, Melbourne.

This is the firm referred to in the advertisement which has been quoted. Messrs. Bond and Company say that they can turn their machinery over to the manufacture of cotton hose. They point out, further, that they are installing additional plant and premises, but that their works have been held up because of the fear that Parliament may permit foreign goods to come in and swamp them. I emphasize that if the amendment is agreed to this industry will be killed. Not only will the firm be unable to complete additions already begun; it will have to close down. The honorable member for South Sydney (Mr. Riley), alluding to an enterprising firm in his constituency, has pointed out that the company will not proceed to complete

Mr. Charlton.

its extensive factory until the Tariff discussion has been concluded. During the war it was forced upon us that Australia must, if possible, produce her own requirements. It is our duty to insure that Australia shall be, to the fullest degree practicable, self-contained. I direct attention to a sample pair of cotton hosiery which I have before me. It was manufactured by Messrs. Hughes and Mayor, of 449 Pitt-street, Sydney. I have submitted the goods to men who know what cotton hose should be, and they tell me that, in quality, they are the equal of anything produced anywhere. The manufacturer's price for this pair of stockings is 2s. Seeing that we can turn out such goods at such a price, why should we not foster the industry and give it a chance to become firmly established?

Mr. GREGORY.—There is no need for a 30 per cent. duty to do that.

Mr. CHARLTON.—The greater the quantity produced here the lower will be the price to the consumer. During the last few years have imported goods been sold any cheaper than those manufactured in Australia?

Mr. JOWETT.—Not as cheaply.

Mr. CHARLTON.—Generally speaking, the manufacturers abroad charge as much as they possibly can, and if we are to be exploited it would be better for the exploitation to be done by manufacturers in our midst, so that we would have an opportunity of dealing with them. We know that we have no possible chance of controlling manufacturers outside Australia.

Mr. GREGORY.—But we are now getting away from war conditions.

Mr. CHARLTON.—Supposing we are, it does not alter my argument in the slightest. What is there to prevent the exporter or the manufacturer abroad from charging all he can and exploiting the people? Nothing at all. If we can find employment for our own people by establishing factories here, it is our duty to do so, and at the same time we shall be able to control those who are manufacturing. The Minister for Trade and Customs (Mr. Greene) has gone a long way to meet the difficulty by promising that a Board will be appointed to control local manufacturers who may be exploit-



ing the people. In view of the discussion, I trust that the honorable member for Kalgoorlie (Mr. Foley) will be prepared to withdraw his amendment.

**Mr. GREENE** (Richmond—Minister for Trade and Customs) [3.2].—I trust the Committee will be prepared to allow the duties on socks and stockings to remain as they appear in the schedule.

**Mr. GREGORY**.—Is it the intention of the Minister to leave the rate on silk hosiery as it stands?

**Mr. GREENE**.—Yes.

**Mr. GREGORY**.—Would it not be wise to make them all the same?

**Mr. GREENE**.—If honorable members are in favour of having them placed on the same basis I am prepared to give the matter consideration.

**Mr. GREGORY**.—I would like to see a higher duty on silk hosiery.

**Mr. GREENE**.—Personally, I would like the rates to remain as they are. The reason why I have made the duty on woollen socks and stockings a little higher than on the silk and cotton goods is because silk and cotton yarn has to be imported, whereas the woollen yarn is made in Australia, and carries a duty. I do not know whether the members of the Committee have any idea of the tremendous quantity of these goods which is imported into Australia and the enormous sum of money we annually send out of Australia for hosiery. I must confess that the figures absolutely staggered me, and notwithstanding that since the war a number of factories have been erected in Australia, and others are in course of erection, large importations are still being made. The honorable member for Indi (Mr. Robert Cook) is, I believe, interested in the establishment of two co-operative knitting factories in country districts, and there are, I understand, others to be erected, so that we shall soon be in a position to control the whole of the manufacture of the woollen, cotton, and silk hosiery required in the Commonwealth. Notwithstanding the impetus given to this industry during the war, and by the protection under this Tariff, we have imported into Australia during the past nine months no less than £2,368,000 worth of hosiery.

**Mr. JOWETT**.—Cotton hosiery?

**Mr. GREENE**.—Not altogether; but a very large quantity consisted of cotton hosiery. At the present moment about £500,000 worth of cotton hosiery is in bond, and that is one reason why the hosiery manufacturers of Australia, who are not at present able to supply the whole of our requirements, are not utilizing their machinery for the manufacture of cotton hosiery. There is no great difficulty in manufacturing cotton hosiery, and, as a matter of fact, it is rather easier to make hosiery from a cotton yarn than from woollen yarn. I understand that it merely means adjusting the machine and changing the needles. I do not believe that the firm establishment of this industry, both for the manufacture of cotton and woollen hosiery, will mean that the public will be charged more for hosiery; but there is no doubt whatever that the firms in the past who have been exporting to Australia large quantities have been "taking the public down" in a most shocking manner.

**Mr. FOLEY**.—Do not the distributing firms act similarly?

**Mr. GREENE**.—I am not speaking for the moment of the distributors, but of the manufacturers abroad, who have raised their prices to a level that is entirely unwarranted. I know, as a matter of fact, that one large Australian manufacturer of hosiery mentioned to-day does not sell a single pair of stockings through a distributing firm, but have appointed their own travelling agents, who are disposing of their products direct to the retailers. I ask honorable members to realize that this industry is peculiarly adapted to country districts. There are a number of industries which we protect under this Tariff that cannot be carried on economically in country districts, but in connexion with the manufacture of hosiery there is no reason why 90 per cent. of our country towns should not have their own knitting mills for supplying the requirements of the people within a reasonable radius. It is an industry which does not require very much capital to establish, and it is of such a nature that, in comparison with other industries, it can be carried on on sound economic lines with a relatively small turnover. I have no desire to take up the time of the Committee at



this juncture, but have endeavoured to explain the position as briefly as I can. I ask the Committee to reject the amendment, and allow the rates to stand as they appear in the schedule.

**Mr. FOLEY** (Kalgoorlie) [3.10].—When I moved to reduce the British rate, I had no intention of interfering with the Tariff on foreign goods, and there is, therefore, very little need for me to reply to the statements made by the honorable member for Hunter (Mr. Charlton), because I am just as sincere as he is in placing an embargo on foreign-made goods. I have already said that I did not think there was any occasion to fear competition from Japanese manufacturers. I have seen their productions, and I say that they have “missed the bus,” because they have not “delivered the goods.” I do not wish to appear to be one-eyed in this debate, but I may explain that the information I received was to the effect that cotton socks and stockings were not manufactured in Australia. I have learned since, however, that there are some Australian firms starting to manufacture cotton hosiery. If the honorable member for Hunter (Mr. Charlton) relies on the circular letter from Bonds’, a copy of which has been sent to every honorable member, he may be led astray.

**Mr. CHARLTON**.—I do not rely on that. I have received information from two honorable members who have inspected the factory.

**Mr. FOLEY**.—If the honorable member reads the letter very carefully he will see that they do not say that they are manufacturers of cotton hose, but that, in the event of the duty being retained, they will commence operations. They say in the letter that they are manufacturing silk hosiery; but we are discussing cotton goods.

**Mr. CHARLTON**.—Does not the honorable member think it advisable to allow them to manufacture these goods if they can?

**Mr. FOLEY**.—Yes, because industries should be started wherever possible, in justice to the consumer. In view of the discussion, I am prepared to withdraw my amendment; but I wish it to be clearly understood that I take that course because I believe these firms are doing what they say. Last night the honorable member for Melbourne Ports (Mr.

Mathews) produced a pair of cotton stockings, which, he said, were manufactured for 1s., and another pair which were made by an American firm at 2s.; but it matters very little to the consumer where stockings are made, so long as the price and quality are suitable. If the manufacturing firms who are being protected by this high Tariff had the interest of the consumers at heart, they would make some endeavour to do the distributing themselves. If firms manufacturing stockings at 1s. per pair are paying 50 per cent. of the cost for them to be distributed to the consumers, they are bad business men. If the manufacturers desire to benefit the consumers, they should individually or collectively study the question of distribution, even if it means entering into an “honorable understanding.” If the method of distribution were modified, goods could be sold at a cheaper rate, and there would then be no occasion to reduce any of these duties.

Amendment, by leave, withdrawn.

**Sir ROBERT BEST** (Kooyong) [3.15].—I am very glad the amendment has been withdrawn, as that renders some remarks I purposed making unnecessary. I had intended also to refer to the importations of these goods to which the Minister (Mr. Greene) has referred. There is no reason why we should not manufacture every stocking and sock required in this community. Our people are making the necessary arrangements to enable that to be done. During the last twelve months, or certainly during the last two years, no less than twenty-two weaving, spinning, and knitting mills have been established in Australia, and, at the present moment, there is in course of registration something like eleven or twelve additional mills. Therefore, every provision is at present being made for the manufacture of all the cloth and hosiery required in Australia. I should like to remind honorable members that in normal times, we imported from Germany alone, these cotton goods to the value of £193,000, and generally from abroad the importations were valued at £207,000. That was in 1912, when the importations from Germany alone represented 9d. per head of our population. In 1913 the importations from Germany represented 11d. per head



of our population. We are getting back now to normal times and we must make provision for the competition of the future. My object in supporting the proposals submitted by the Minister for Trade and Customs is to give the fullest possible encouragement to our own industries engaged in the manufacture of these goods, to prevent importations from abroad, and to encourage so far as we may, the wearing of woollen hosiery in this country. I should, personally, be very glad if the Committee could see its way to accept the proposal suggested by the honorable member for Grampians (Mr. Jowett), though I shall not divide the Committee against the item as submitted by the Minister.

**Mr. JOWETT** (Grampians) [3.19].—I move—

That the item be amended by inserting after sub-item (A) the following words:—"And on and after 28th May, 1921, ad. val., British, 35 per cent.; intermediate, 40 per cent.; general, 50 per cent."

I trust that the Minister will see his way clear to accept this amendment.

**Mr. GREENE** (Richmond—Minister for Trade and Customs) [3.20].—I hope that the honorable member will not press his amendment. The reason why the protection afforded for socks and stockings, woollen or containing wool, is a little more than that proposed for cotton and silk goods is that there is a duty on woollen yarn. I think that the duties I have submitted are sufficiently high to thoroughly establish this industry, and I again ask honorable members to pass the item as it stands.

**Mr. JOWETT**.—I ask leave to withdraw my amendment.

Amendment, by leave, withdrawn.

**Mr. GREGORY**.—Would it not be a fair thing to increase the duty proposed in the case of these goods made of silk or containing silk but not containing wool to 35 per cent. British preferential Tariff?

**Mr. GREENE**.—This is a protective duty and not a revenue duty. Importations of silk hosiery are falling off. I do not think it is wise to impose a duty beyond what is sufficient for protective purposes.

Item agreed to.

Item 116 (Parasols, sunshades, umbrellas, n.e.i.) and Item 117 (Blankets, n.e.i., except of rubber) agreed to.

Item 118—

Carpets, carpeting, floor cloths, floor and carriage mats of any textile material except coir; and floor rugs and coverings not being furs or other skins (including felts and pads but not including carpet felt paper); saddle-bag in the piece or otherwise, ad. val., British, 10 per cent.; intermediate, 15 per cent.; general, 25 per cent.

**Mr. GREENE** (Richmond—Minister for Trade and Customs) [3.22].—I intend to move an amendment upon this item. I want to insert after the word "coverings" the words "not being of rubber." The reason for this is that rubber floor coverings are being made in Australia. Honorable members who have been in the Commonwealth Bank building in Sydney will have seen there a notable instance of a rubber floor covering which was made in Australia. I move—

That the following words be added to the item:—"And on and after 28th May, 1921, carpets, carpeting, floor-cloths, floor and carriage mats of any textile material except coir; and floor rugs and coverings, not being of rubber, and not being furs or other skins (including felts and pads but not including carpet felt paper); saddle-bag in the piece or otherwise—ad. val., British, 10 per cent.; intermediate, 15 per cent.; and general, 25 per cent."

Amendment agreed to.

Item, as amended, agreed to.

Item 119—

Articles of coir, viz., mats, matting, and fenders, ad. val., British, 20 per cent.; intermediate, 25 per cent.; general, 30 per cent.

**Mr. MATHEWS** (Melbourne Ports) [3.24].—I am going to ask the Minister for Trade and Customs (Mr. Greene) and the Committee to agree to an increase of the duty proposed on this item. I can imagine the horror of some Free Traders when I say so. Coir mats are produced in Australia by the inmates of asylums for the blind. Several organizations for the benefit of the blind are endeavouring to improve their condition by teaching them various trades. In Victoria an attempt is being made to raise £25,000 to extend the equipment of the local establishment. Unfortunately, it has been necessary in every State of Australia to establish institutions for the



blind. Most of these institutions undertake the manufacture of coir mats and matting. I might make a pathetic appeal on behalf of the blind; but I do not wish to do that. I merely make a statement of fact that it is in institutions for the blind that coir mats and matting are made in Australia to-day.

Mr. PROWSE.—It was never assumed that the blind could compete with people who have their sight.

Mr. MATHEWS.—Fortunately, there is a considerable amount of sentiment surrounding the products of these institutions, but sentiment is not sufficiently considered in the market. There are not a sufficient number of people prepared to pay higher prices for mats because they are produced in an asylum for the blind. I freely admit that the manufacture of this article by the blind adds to its cost; but, quite apart from the manufacture of these goods in institutes for the blind, I can inform the Committee that twenty or thirty years ago an establishment for their manufacture in my constituency gave employment to a number of hands. I was never enamoured of this kind of work, which I think few would hanker after. But there was a very large establishment manufacturing coir matting, and especially fancy coir mats. To-day in that establishment and others associated with it there are very few workers. I have no wish to make capital out of the opposition of the honorable member for Swan (Mr. Prowse) to an increase of the duty on this item, because I am prepared to admit that he is quite as sympathetic with the blind as I am myself. I am one of those who believe that any article that can be manufactured in Australia should be manufactured here. The manufacture of mats and matting and of brushes is particularly suitable for people who have lost their sight, and that should be given consideration. The inmates of institutions for the blind turn out a very fine article, and I am not asking the Committee to protect the manufacture of an inferior article. As a matter of fact, these goods manufactured in institutions for the blind are superior to the imported goods, because they are not made so hurriedly. If honorable members can see their way to support an increase of

the duty on this item, they will assist to establish an industry in Australia and will be giving a better opportunity to the large body of men and women who, without hope of reward, beyond their own satisfaction, are endeavouring to make provision for the employment of the blind. I ask the Minister to accept an amendment increasing the duties under this item from 20, 25, and 30 per cent. to 20, 30, and 40 per cent. Mr. Hedger, who has been associated with institutes for the blind from his birth, has assured me that organizations taking an interest in them will be able to find further employment for blind people if they are given a little additional help under this item.

Mr. GREENE (Richmond—Minister for Trade and Customs) [3.29].—I dare say that honorable members will have noticed that I have proposed an increase in the duty upon articles included in this item. That is done for the express purpose mentioned by the honorable member for Melbourne Ports (Mr. Mathews), namely, to help the blind people. The importations of these goods during the last few years have been low. Since I imposed an additional duty of 5 per cent. the importations from India have fallen off by 50 per cent. It seems to me, therefore, that the duty now proposed is effective, and I do not think that an increase is required.

Mr. MATHEWS.—Those interested in institutes for the blind assure me that it is.

Mr. GREENE.—I am prepared to give an additional protection of 5 per cent. intermediate and general Tariffs.

Mr. MATHEWS.—I will accept that.

Amendment (by Mr. GREENE) agreed to—

That the item be amended by adding the following words:—"And on and after 28th May, 1921, ad val., British, 20 per cent.; intermediate, 30 per cent.; general, 35 per cent."

Item, as amended, agreed to.

Item 120 (Articles, textile, not being piece goods).

Mr. GREGORY (Dampier) [3.31].—It was my desire that all the articles covered by this item, whether containing or not containing wool or silk, should be dutiable at 20 per cent. British, 25 per cent. intermediate, and 35 per cent. general.



I have been advised, however, that it would be very difficult to give effect to such an arrangement in handling goods coming through the Customs. As the item stands, these goods, when not containing wool or silk, are dutiable at 20 per cent., 25 per cent., and 35 per cent., whereas, when containing wool or silk, they are dutiable at 35 per cent., 40 per cent., and 50 per cent. I have spoken to the Minister (Mr. Greene) in regard to the matter, and would like him shortly to explain the position.

**Mr. GREENE** (Richmond—Minister for Trade and Customs) [3.32].—Honorable members will find that, throughout the Tariff, a certain rate of duty is provided in the case of articles not containing wool or silk, and another rate of duty for articles containing wool or silk. That is the rule adopted in this item, and again in item 121. Serviettes and handkerchiefs are not included in sub-item A. They come under separate duties, the reason being that we want to prevent them coming in in a finished condition, so that the finishing work may be done here.

Item agreed to.

Item 121—

(B) Curtain clips, bands, loops and holders, blind tassels and acorns, ad val., British, free; intermediate, 5 per cent.; general, 10 per cent.

**Mr. GREENE** (Richmond—Minister for Trade and Customs) [3.35].—I propose to move to omit the word "acorns." These acorns are small wooden articles which are now being turned out by the thousand in Australia. It is unnecessary for them to remain in this item. I therefore move—

That the following words be added after sub-item B:—"And on and after 28th May, 1921, (B) Curtain clips, bands, loops and holders, and blind tassels, ad val., British, free; intermediate, 5 per cent.; general, 10 per cent."

Amendment agreed to.

Item, as amended, agreed to.

Item 122 (Articles n.e.i.), item 123 (Waddings and cotton wool n.e.i., &c.), item 124 (Braids, &c.), item 125 (Felt for making polishing pads), and item 126 (Saddlers' webs), agreed to.

Item 127—

Hop cloth, filter cloth for mines and oil mills, ad val., British, free; intermediate, free; general, 10 per cent.

**Mr. GREENE** (Richmond—Minister for Trade and Customs) [3.36].—I desire

to include in this item "press cloth for oil mills." A question of interpretation is involved. We thought that we had covered press cloth for oil mills by the reference to "filter cloth," but we find that that is not a filter cloth. We want to set out clearly in the item what it is intended to cover. I therefore move—

That the following words be added:—"And on and after 28th May, 1921, hop-cloths, filter-cloth for mines and filter and press cloth for oil mills, ad val., British and intermediate, free; general, 10 per cent."

Amendment agreed to.

Item, as amended, agreed to.

Item 128 (Milling silk), agreed to.

Item 129—

Hessians and brattice-cloth, jute piece goods, bookbinders' cloth, bunting, free.

**Mr. HECTOR LAMOND** (Illawarra) [3.37].—I notice that, under this item, bookbinders' cloth, in respect of which, under the old Tariff, there was a preferential duty of 10 per cent., will come in free. As Great Britain manufactures every kind of bookbinders' cloth used, or likely to be used, in Australia, and is in competition with other nations, it seems to me that the preferential duty should be retained, if not increased. The duty of 10 per cent. in favour of Great Britain was, I think, fair. In view of the necessity for the Old Country developing her industries to the fullest extent, in order that she may bear her tremendous war debt, I think that, on every manufactured article with which she is able to supply us, and which we cannot produce for ourselves, we should give her as big a preference as possible. My difficulty is that bookbinders' cloth is included with other materials in the item, the classification in this case being slightly different from that which obtained under the old Tariff. I move—

That the following words be added:—"And on and after 28th May, 1921, general, 15 per cent."

**Mr. GREENE** (Richmond—Minister for Trade and Customs) [3.39].—I do not want to make the whole item dutiable. I think the honorable member's proposal could be served by dividing the item into sub-items.

**Mr. HECTOR LAMOND**.—I was hoping that that might be possible.

**Mr. GREENE**.—The reason I made this item free was that I did not want to put a duty on jute piece goods. No



jute piece goods or hessian come from Great Britain. All practically come from India, and I thought there was nothing to be gained by having a revenue duty on such goods, since they are used in the manufacture of bags and sacks. The revenue duty under the old Tariff was really a burden on manufacturers who make up these goods, and I, therefore, removed them.

Mr. HECTOR LAMOND.—But the position is different so far as bookbinders' cloth is concerned.

Mr. GREENE.—I am prepared to deal with bookbinders' cloth under a separate sub-item.

Mr. HECTOR LAMOND.—Then I ask leave to withdraw my amendment.

Amendment, by leave, withdrawn.

Amendment (by Mr. GREENE) agreed to—

That the following words be added:—“And on and after 28th May, 1921—

(A) Hessian and brattice cloth, jute piece goods. Free.

(B) Bookbinders' cloth and bunting, ad val., British, free; intermediate, 5 per cent.; general, 15 per cent.”

Item, as amended, agreed to.

Item 130 (Canvas and duck).

Mr. GREGORY (Dampier) [3.41].—It appears to me that there is no reason for inserting this item, since the goods referred to in it are covered apparently by item 105n4. I shall not delay the Committee by dealing with the matter at this stage, but I ask the Minister to query the item, and ascertain later on whether it is necessary. I shall place the facts before him at a later stage.

Mr. GREENE (Richmond—Minister for Trade and Customs) [3.43].—I think the reason for this item is that we desire to distinguish between canvas and duck n.e.i. and canvas and duck waterproof.

Mr. GREGORY.—I will write to the Minister on this subject.

Mr. GREENE.—Very well.

Item agreed to.

Item 131 (Tents, sails, and flags).

Mr. RILEY (South Sydney) [3.44].—This item provides for a duty on flags. Why should we impose such a duty? It is becoming quite fashionable to indulge in flag-waving on Empire Day and other occasions, and I think we ought to encourage the waving and wearing of flags. I ask the Minister (Mr. Greene) to give us a lead in this matter. Let us show

our patriotism by providing for cheap flags. I would have a lot of flags if they were cheap, but, unfortunately, they are very dear. Why should we place this embargo on their introduction into Australia?

Mr. GREENE (Richmond—Minister for Trade and Customs) [3.45].—We have made bunting free. We certainly want to have in this country as many Union Jacks as possible, and Union Jacks made in Australia have an additional value.

Mr. HECTOR LAMOND (Illawarra) [3.46].—There is a matter with which I think the Customs Department might be able to deal. It is very annoying to find so-called, and apparently imported, “Australian flags” being sold that are not Australian flags at all; and I suggest that the Department should see that flags offered for sale are the real thing, and not humorous imitations. There are flags now sold in Sydney and Melbourne as Australian flags which have eight or nine points on the star, and in regard to the other stars are incorrect.

Mr. FOLEY.—How many points should there be on the stars?

Mr. HECTOR LAMOND.—The number of points varies. The interjection reminds me that at a great patriotic demonstration at Kalgoorlie a huge “Australian flag,” 12 feet long, was not really an Australian flag, it having the wrong number of points on the stars. Seriously, we ought to absolutely prohibit the sale of flags which purport to be, but which are not, Australian.

Mr. CONSIDINE (Barrier) [3.47].—Has the Minister for Trade and Customs (Mr. Greene) “slipped,” or has he arranged for the prohibition of the importation of red flags? I suggest to the honorable gentleman that if he has “slipped” he may be called to task by those ultra-loyal organizations outside. Quite a number of the very “nicest people” in Sydney are quite wroth about the flying of the red flag, and urge the prohibition of anything connected with it; even the loyalty of the Governor of New South Wales is suspected because he has not denounced the red flag, or done something of the kind. Has sub-item B, dealing with flags over 1 foot in length, anything to do with the prohibition of the red flag?



Mr. BELL.—What size is the red flag?

Mr. CONSIDINE.—It is world wide.

Mr. BELL.—The honorable member is thinking of his own little world!

Mr. HECTOR LAMOND.—There are no flags of that size imported.

Mr. CONSIDINE.—I doubt whether the knowledge of the honorable member is as wide as the red flag. Within recent times prohibitions and conditions have been imposed on people who desire to enter this country. For instance, Mr. Esmonde was prevented from entering Australia.

Mr. GREENE.—What has that to do with the item of flags?

Mr. CONSIDINE.—It has a great deal to do with flags. I understand that that gentleman is an adherent of a flag quite different from that which is generally flown in this country, and he was prevented from landing because of his adherence to that other flag. Is it proposed that the flag to which Mr. Esmonde adhered is to be admitted to the country, while Mr. Esmonde himself is prevented? Again, are the people who have been so loud in their denunciation of those who use the symbol of the red flag to convey to others their political and economic principles, and in consequence are threatened with deportation from the country, going to admit this extraordinary "disloyal" emblem—to use the phraseology of my friends opposite? I merely ask for information and enlightenment.

Mr. FOLEY (Kalgoorlie) [3.51].—There may be something in the contention of the honorable member for Barrier (Mr. Considine), but I should like a little enlightenment from that honorable gentleman. I come from a State where I have never seen the red flag flown, nor have I seen flown there the flag which Mr. Esmonde follows. I should like some little further enlightenment on the subject from the honorable member for Barrier.

Item agreed to.

Item 132 (Diving dresses) agreed to.

Item 133 (Bags and sacks of calico, &c.).

Mr. MATHEWS (Melbourne Ports) [3.53].—According to the information I have there are 72,000,000 corn and flour bags, commonly known as wheat sacks,

imported into Australia, and the trouble is that, after importation, they are used for other purposes. I think I ought to be able to rely on the members of the Country party for support when I suggest that something should be done to stop this practice, though I do not see what really could be done unless we provided that the wheat sacks should be coloured. There is no reason why there should not be grown in Australia all the flax necessary for the twine or yarn of which these sacks are made.

Mr. PROWSE.—We had better grow more wheat!

Mr. MATHEWS.—Are we not pretty well growing all the wheat we can at the present time?

Mr. PROWSE.—Indeed, we are not!

Mr. MATHEWS.—Not only in my electorate, but in other electorates, yarn is manufactured, and all the material required for these bags could be utilized with the result of providing an enormous amount of employment. Has the Minister considered the fact that these imported wheat sacks are used for other purposes?

Mr. GREENE.—I am afraid that cannot be helped. I do not think we can do anything in the matter.

Item agreed to.

Item 134 (Bags, sacks, packs, and bales for bran, chaff, &c), and item 135 (Accoutrements, buttons, &c., for naval and military uniforms), agreed to.

Progress reported.

House adjourned at 3.59 p.m.

## House of Representatives.

Wednesday, 1 June, 1921.

Mr. DEPUTY SPEAKER (Hon. J. M. Chanter) took the chair at 3 p.m., and read prayers.

### WESTRALIAN FARMERS AGREEMENT BILL (No. 2).

Assent reported.



## LEAGUE OF NATIONS.

## PERMANENT COURT OF INTERNATIONAL JUSTICE.

Mr. GROOM (Darling Downs—Minister for Works and Railways [3.1].—*(By leave)*).—Article 14 of the Covenant of the League of Nations provides for the establishment of a permanent Court of International Justice. At the first session of the Assembly of the League of Nations held in Geneva in November and December of last year a Statute providing for the constitution and jurisdiction of the Court was agreed to unanimously. A protocol was drawn up providing for the acceptance by the members of the League of the Statute and the jurisdiction of the Court. This protocol has already been signed by the whole of the British Dominions which are members of the League, other than Australia, and the Government have now decided to authorize the Prime Minister to sign the protocol on behalf of Australia, and to request His Majesty, after the protocol has been so signed, to ratify it. The acceptance of the jurisdiction of the Court does not extend to the acceptance of the compulsory jurisdiction provided for in the second paragraph of Article 36 of the Statute.

## NEW GUINEA COMMISSION.

Mr. JAMES PAGE.—Has the Acting Prime Minister received a reply to the radios he has been sending to German New Guinea during the past fortnight in the endeavour to get into touch with the missing expedition?

Sir JOSEPH COOK.—No reply has yet been received. The Administrator of the Territory is endeavouring to get into touch with the expedition, but has not yet been able to do so.

Mr. JAMES PAGE.—Stop their supplies and you will soon hear from them.

## MILITARY MENTAL PATIENTS.

Mr. LISTER.—I ask the Minister representing the Minister for Repatriation whether on the 27th April last twenty patients in the mental ward at No. 16 Australian General Hospital, Mont Park, were ordered to be transferred from that hospital and to be received, ten into the Kew Lunatic

Asylum and ten into the Sunbury Lunatic Asylum? If so, under what authority were these patients ordered to be so transferred and to be so received into the said asylums? Who signed the authority, and when; and what was the reason for the transfer? The Minister has interested himself in these cases in the past, and we appreciate what he has been able to do, but things are not quite as they might be.

Mr. RODGERS.—No transfer of a military mental case from Mont Park has taken place at the direction of the Commonwealth Government or of a Commonwealth Minister; but if the honorable member will put his questions on the notice-paper I shall answer them in detail to-morrow.

## BUILDINGS AT CANBERRA.

Mr. BLAKELEY.—Have plans for the Canberra Hostel and Convention Hall been received by the Acting Prime Minister? If so, when will the right honorable gentleman be prepared to make a statement to the House of his intentions about them?

Sir JOSEPH COOK.—I have not received the plans referred to. They are more likely to have been received by the Minister for Works and Railways (Mr. Groom). No decision has yet been arrived at concerning the buildings referred to.

## PAPER.

The following paper was laid on the table:—

Public Works Committee Act—Sixth General Report of the Parliamentary Standing Committee on Public Works.

Ordered to be printed.

## LEAVE OF ABSENCE: SYMPATHY WITH MR. DEPUTY SPEAKER.

Sir JOSEPH COOK (Parramatta—Acting Prime Minister and Treasurer) [3.8].—*(By leave)*.—I move—

That leave of absence for one month be given to the honorable member for Bendigo (Mr. Hughes) on the ground of urgent public business.

While on my feet, may I say, Mr. Deputy Speaker, how deeply grieved we were by the cause of your absence last

week, and may I extend to you our sincerest sympathy in the bereavement that has fallen on you? You seem to have had more than your share of these visitations, which are the common lot of us all; but you have the sympathy of the entire Chamber in the experience through which you have passed.

**Mr. DEPUTY SPEAKER (Hon. J. M. Chanter).**—I thank you, Mr. Acting Prime Minister, and the members of the House, for your kind sympathy. The blow that has fallen upon me has been a very heavy one; but God's will be done.

Question resolved in the affirmative.

**Mr. RYAN (West Sydney) [3.9].**—(*By leave*).—I move—

That leave of absence for one month be given to the honorable member for Yarra (Mr. Tudor) on the ground of ill-health.

Mr. Tudor is about to proceed to Rabaul to recuperate, and I am sure that every honorable member sincerely hopes that he may soon return, fully restored to his wonted health.

I join with the Acting Prime Minister in offering to you, Mr. Deputy Speaker, on behalf of the Opposition, our sincere sympathy in your recent bereavement.

**Sir JOSEPH COOK (Parramatta—Acting Prime Minister) [3.10].**—I should like to join in the hope expressed by the honorable member that the Leader of the Opposition may soon be restored to health. I understand he is paying a visit to Rabaul, and I have already placed myself in communication with the Administrator, informing him that Mr. Tudor is coming, and asking him to facilitate his visit in every possible way.

**Mr. DEPUTY SPEAKER.**—I thank the honorable member for West Sydney for his kindly remarks.

Question resolved in the affirmative.

### CONSUMPTION SERUM.

**Mr. BAYLEY.**—I desire to ask the Minister administering the Commonwealth Health Department if any steps have been taken by his Department to investigate the claim made by Dr. Spahlinger, a Swiss bacteriologist, that he has discovered a serum for the treatment of consumption? I may state that the Victorian Government have deputed Mr. Jones, M.L.C., to investigate this claim on their behalf.

**Mr. GREENE.**—Yes. The Government are in communication with the Imperial Government in regard to the matter.

### IMPERIAL CABINET.

**Mr. RYAN.**—In view of the fact that the Prime Minister of New Zealand has stated that he hopes there may emerge from the discussion at the Imperial Conference an Imperial Cabinet like the Imperial War Cabinet, and in view, further, of the fact that the Prime Minister of Australia (Mr. Hughes) intimated that such a possibility would not come within the scope of the work of the Conference, will the Acting Prime Minister be good enough to make a statement as to whether the agenda of the Imperial Conference includes the discussion of this subject?

**Sir JOSEPH COOK.**—I am quite unable to state, at the moment, what is contained in the agenda-paper of the Imperial Conference. All I can say about the Imperial War Cabinet is this: It was an institution of the greatest possible usefulness during the war, all the Dominions being taken into the confidence of the Imperial Government. I cannot conceive of anything more useful than a repetition of those Conferences, so long as care is taken that they are on the same plan, and have in view the same objective, as the War Cabinet, which I was privileged to attend.

**Mr. MATHEWS.**—It sounds a bit dangerous; the thin end of the wedge.

**Sir JOSEPH COOK.**—Not in the slightest degree dangerous, but full of possibilities for good to Australia and all the Dominions.

### CENSUS.

**Mr. RILEY.**—Is the Minister representing the Minister for Home and Territories yet prepared to make a statement as to the result of the census taken throughout Australia?

**Mr. WISE.**—No; I have no further information for the honorable member.

### INTERNMENT OF MR. DEHLE.

**Mr. RYAN.**—Will the Assistant Minister for Defence be good enough to say



whether the papers relating to the internment of Mr. Gus Dehle, of Hobart, will be laid on the table of the Library?

Sir GRANVILLE RYRIE.—I cannot say, but I shall look into the matter.

### ADJOURNMENT (Formal).

#### WOOL MARKET DEPRESSION.

Mr. DEPUTY SPEAKER.—I have received the intimation from the honorable member for Darling (Mr. Blakeley) that he intends to move the adjournment of the House to discuss a definite matter of urgent public importance, viz., "The depression of the wool market, and matters in connexion therewith."

*Five honorable members having risen in their places,*

Question proposed.

Mr. BLAKELEY (Darling) [3.17].—It is only because of the outcome of the deputation to the Acting Prime Minister (Sir Joseph Cook) the other day that I am moving the adjournment of the House in regard to this matter. The position of the graziers in New South Wales, and in the central western portion particularly, is such as to cause general uneasiness, not only in that district, but in other parts of the Commonwealth as well; for, while that portion of New South Wales is feeling the depression particularly, many other important districts of Australia are in exactly the same position owing to the fact that the Associated Banks have not only refused further cash advances to graziers, but have asked them to reduce their overdrafts. The position calls for action on the part of the Commonwealth Government because the situation is the outcome of war conditions, and therefore is national in character. The Acting Premier of New South Wales (Mr. Dooley) has been endeavouring to make some arrangement whereby the graziers in the districts affected may be able to stock up their holdings, and thus carry on the industry, thereby creating that wealth which is so necessary for the progress of the Commonwealth. The paralysis, so far as the wool market is concerned, is due to the fact that at present the people of Europe are unable to buy our raw materials, and apparently they will not be in a position to do so until some system of international credit can be arranged. I have no doubt that, under the

Bawra scheme, considerable relief will be experienced, but unless more credit can be established, our raw materials will be sold at considerably below their true market value. In the districts to which I refer, the central and central-west of New South Wales, I have particulars of forty-three cases of graziers—and these may be regarded as representative of the whole of those engaged in the industry throughout Australia—and I find that the amounts advanced by the banks represent 33 per cent. against the land, and only 27 per cent. against land, stock, and unsold wool. The outstanding debts average about 3 per cent. of the present assets. Thus the banks have advanced about 33 per cent. against the land itself, and only 27 per cent. against land and stock, excluding plant, which is a not inconsiderable item. The advances are on a very conservative basis, whereas the small land-holders find it impossible to stock up unless they are advanced up to 50 per cent.

The number of sheep grazed in New South Wales is about 14,000,000 below the average for the last ten or twelve years, a very disquieting fact when one takes into consideration the grasses and herbage available. On the other hand, Queensland has plenty of sheep and cattle, and they can be bought very cheaply; but if those who are anxious to buy are unable to get advances from the banks, or do not receive sympathetic treatment from the Commonwealth Government, that stock must remain in the northern State, and the paddocks of New South Wales must continue to remain idle instead of producing wealth. It is not only the graziers who are held up. In some cases mixed farmers are compelled to go slow because of lack of funds with which to pay wages to those who might otherwise be engaged in ploughing their land. The position is clearly set out in a schedule of forty-three cases which has been prepared, from which I shall take a few items indiscriminately.

In this schedule, sheep are valued at 15s. per head, horses at £3 per head, cattle at £6 per head, and wool at £10 per bale. The valuation is indeed conservative.

Case 43 is that of a settlement lease of 5,289 acres worth £1 per acre. It carries

1,173 sheep valued at 15s. per head. Other assets consist of two horses worth £8 each, and unsold wool valued at £210. The total assets amount to £6,395. The banks have advanced £1,010, and this grazier's outstanding debts are covered by another £516, but he wants a further £1,500 to enable him to stock up. He has been absolutely refused any further advance. Indeed, he has been asked to reduce his overdraft.

Case No. 1 refers to 3,877 acres of conditional purchase and Crown lease land valued at £1 10s. per acre, or a total value of £5,905. He has no stock and no wool. He owes the bank £2,226, and his outstanding debts amount to £200, but he requires a further £1,200 to enable him to stock up. He has been refused any further advance.

Case No. 3 refers to 6,000 acres of conditional purchase and Crown lease land valued at £1 10s. per acre, or a total value of £9,000. The stock is worth £1,500, and the unsold wool £300. The total assets are £10,800. There are no outstanding debts. A bank has advanced £4,500, but in order to stock the land properly the holder requires a further £1,500. However, the security is not regarded as good enough, and the bank will advance him nothing further.

Case No. 4 is that of freehold, conditional purchase, and Crown lease land, comprising 2,710 acres worth £2 10s. per acre. The total value is £6,775. Ewes and lambs are worth £600, cattle £200, and horses £70. The total value of assets is £7,545, on which a bank has advanced £2,800. The holder, however, requires another £1,000 to enable him to stock up, but his bank has absolutely refused to give him any further assistance.

Case No. 5 refers to freehold, conditional purchase, and Crown lease land, comprising 9,612 acres. The freehold land is worth £2 10s. per acre, and is paid up to £1 5s. per acre. The conditional purchase land is worth £1 10s. per acre. The total value of the holding is £13,400. The stock is valued at £6,075, and wool unsold is worth £930. The total assets are valued at £20,405, on which £6,700 has been advanced, but the owner has been asked to reduce his overdraft. This he cannot do. As a matter of fact, he really requires more capital in order to

stock up his property to its carrying capacity.

Case No. 7 is that of a Crown lease, on which all conditions have been fulfilled, and the property is now convertible to a freehold. It comprises 4,647 acres worth, at £1 per acre, £4,647. The sheep are worth £450, and the unsold wool is valued at £110. The total value of the assets is £5,607. The bank advance is £1,185, and the outstanding debts amount to £110, but the holder requires a further £1,100 to enable him to stock up his property properly. He has been absolutely refused any further assistance. Indeed, he has been asked to reduce his overdraft as soon as possible.

The Associated Banks have got cold feet, or they are in such a position through carrying the importers that they cannot advance further capital to any individual. It is beyond doubt that the grazing industry is perfectly solvent, because against the whole of the assets of the forty-three cases in this list, which are an average of conditions that apply throughout Australia, the banks have only advanced up to 27 per cent. of the value of the stock and land, exclusive of plant. The whole of this information has been laid before the Acting Prime Minister (Sir Joseph Cook), who has promised to interview the Associated Banks. The deputation placed before the right honorable gentleman the following proposals, which he could not see his way to accept:—

1. That the Federal Government approach Bawra with the object of stabilizing the value of wool included in the free wool at present held, and the clip of 1921-1922, by guaranteeing a flat rate of 10d. per lb. (which was the average price for a series of years prior to appraisement scheme, on which the flat rate of 15½d. was based); and paying for the free wool immediately, and the wool of 1921-22 on receipt of same in store after appraisement.

2. That the Federal Government stabilizes the position of graziers generally by creating a credit with the Associated Banks by the issue of notes, such notes to be redeemed within three or five years. The credit so established to be used in the following manner:—

- (a) Advances to be made on the security of lands to an aggregate including amounts already advanced by Banks not exceeding 65 per cent. of the value of the land. The Government to accept declarations from bank managers as to present day values of properties held as security, and the



moneys so advanced to be on separate accounts, and not to be used in reduction of existing overdrafts.

- (b) Advances up to 100 per cent. of value of certificates issued for wool appraised, on flat rate of 10d. per lb. Under this it would be necessary for all wool to be appraised by Bawra, and certificates issued (similarly to Wheat Pool) for the value of the clip.

The graziers, who are in bad circumstances, do not demand that the flat rate should be 10d. per lb., but they do say that some rate should be fixed which would provide them with some money with which to carry on.

3. Alternatively to resolution 2, if the proposal for establishing credit by issue of notes be not favoured, that the Federal Government arrange a short-dated loan in London to stabilize the position of graziers generally, the whole of the money so raised to be made available for the Banks' use, for advances as provided for in resolution 2 (a) and (b).

4. Should the foregoing proposals be accepted, it is necessary for immediate action, and that the Government, instead of creating a fresh Department for the management of the business, appoint a committee of business men in each State to act as a sort of Board of Directors to pass advances, and, if necessary, arbitrate in the event of any differences arising regarding valuation of properties, &c.

5. It is further proposed that a conference be called with representatives of the Associated Banks, the Chairman of Bawra, and representatives of the graziers to fully go into the matters raised by the deputation.

Personally, I do not take any responsibility for the suggested note issue or the short-dated loan in London. I believe there is sufficient credit in Australia to support men who are absolutely solvent, and require only a little temporary assistance in order that they may re-stock their land and carry on until they have sold their wool, or until such time as the wool position is eased. Whilst the Acting Prime Minister may be opposed to any further inflation of the note issue, and will not entertain the suggestion for a short-dated loan in London, he should, at least, make some arrangement with the Associated Banks whereby they will not foreclose on small land-holders. It has been suggested by representatives of the Associated Banks that it is not their intention to close down on the small men. Others cold-bloodedly say that times are bad, and the weakest must go to the wall. That is a brutal and vicious principle to enunciate. A man who has been twenty, thirty, forty, or even forty-five years on

Mr. Blakeley.

the land, and finds himself temporarily embarrassed owing to drought, followed by floods and the depression of the wool market caused by international conditions, should not be forced off his land because of temporary tightness of the money market or panic on the part of the bankers. The schedule which has been filed deals with forty-three cases, in all of which it has been found that the valuation of properties is about twelve years old. The properties have not been re-valued in the meantime, although, in many instances, the value of the land has completely altered. Many of the properties have been further improved, and the titles have been converted. A property which might have been valued at £6,000 twelve years ago would to-day be worth probably double that amount. Notwithstanding that fact, the banks will do nothing to relieve the situation.

Mr. HILL.—Does the honorable member suggest that land in New South Wales and Queensland is as valuable to-day as it was two years ago?

Mr. BLAKELEY.—I say that the value of twelve years ago has been doubled. A great number of conditional purchase blocks and Crown leases have been converted, and conditions have been fulfilled which make the land considerably more valuable—100 per cent. more valuable in some cases. Where the title of a conditional purchase has been converted, the security is ever so much better. Sir John Higgins, the Chairman of Bawra, attended the deputation which waited upon the Acting Prime Minister, and we suggested to him that Bawra should take control of the whole of the wool. I am a frank advocate of the pooling system; but Sir John Higgins stated that unless the whole of the wool-growers were prepared to go into the Pool he could do nothing, whilst the Acting Prime Minister said that he would not compel wool-growers to place their wool in the Pool. If the wool-growers were to come together and enlarge the business of Bawra, so that that body could establish credits and pay on appraisement, as was done during the war, the situation would be considerably relieved. I believe that the pooling system is so good that it should be adopted always, and not only in times of war and financial stringency.

Mr. STEWART.—Would the honorable member apply that advocacy to wheat as well?

Mr. BLAKELEY.—I would. When hundreds of thousands of men are producing the same article, they should come together as a co-operative society for the selling of their products instead of marketing them through agents like Dalgety & Co., Dreyfus & Co., and other big wool-broking firms. The wool-growers and the wheat-growers could market their own products, and thereby eliminate the middlemen. If the wool-growers establish their pooling system they will be in a very much better position than they are to-day. There is no difference between Bawra holders and holders of free wool. There will be involved merely the matter of enlarging their business. It will be for wool-growers generally to say whether they shall so expand their business. But it will take time to inaugurate a scheme to pool the whole of the wool of Australia—so much time, indeed, that those who are being forced by the banks to-day would probably find themselves removed from their small holdings. The Prime Minister of South Africa (General Smuts) adopted a totally different attitude from that of the Australian Prime Minister (Mr. Hughes). I quote the following cablegram from Capetown published in the Sydney *Daily Telegraph* of 28th May:—

Before sailing for London this afternoon the Prime Minister made a statement on the wool position before the Assembly. He said that the Government had been negotiating for the sale of the new clip to the British Government, but had found difficulties. He was not sure whether it would succeed, and, therefore, in view of the financial situation, the Government had come to the conclusion that it would be necessary to assist the producers to revive the scheme in operation before the war, whereby the banks, with a Government guarantee, made advances on wool.

General Smuts said that the wool and mohair farmers would be entitled to an advance of up to 50 per cent. on pre-war prices, which would enable them to tide over the financial depression. The Prime Minister praised the liberality of the banks, which had agreed to accept 6½ per cent. interest. He has impressed on the banks the grave necessity, owing to the present crisis, of not contracting credit for too much.

Apparently, just what took place in South Africa in the matter of the banks forcing graziers has occurred in Aus-

tralia. The Government can immediately relieve the situation here if they desire. This is an absolutely solvent industry requiring, perhaps, not more than a couple of millions sterling by way of necessary advances to those who are in need. It would be an easy matter to authorize the Commonwealth Bank—which would act in conjunction with the Associated Banks—to establish a credit which would permit these people to stock up and carry on. If some such assistance is not granted the present condition of unemployment throughout Australia must become considerably more acute. In New South Wales there are between 10,000 and 15,000 men out of work. The position in Victoria is just as bad. In South Australia there are some 5,000 men out, and there is unemployment in Western Australia, Tasmania, and Queensland. The shearing season is approaching, but, unless the industry is stabilized, quite a number who, ordinarily, would employ labour for shearing will not be in a position to do so. Some people believe, by the way, that the best way, if not the only way, to relieve the present situation is to establish soup kitchens and give out charity doles. The whole of the pastoral workers will be affected by the situation as it develops. That will entail an immediate reaction upon country storekeepers, whose position, in turn, will react on city warehouses, and, eventually, the trouble will all come back to the banks. I ask the Acting Prime Minister if he will not take immediate steps to see that some relief is granted. It is only a matter of consultation with the Associated Banks, first, to ask them to withdraw the notices which they have issued.

Mr. DEPUTY SPEAKER (Hon. J. M. Chanter).—Order! The honorable member's time limit has been reached.

Sir JOSEPH COOK (Parramatta—Acting Prime Minister and Treasurer) [3.46].—I have not much that is fresh to say upon this matter. The honorable member the other day introduced a deputation to me, which was representative of the men in the far-back districts referred to this afternoon—men who, no doubt, are in dire distress. I cannot agree to their proposals, however. I told the deputation emphatically that I would not have



anything to do with the schemes propounded to me. I said I would not attempt to give them credit in the shape of further inflation of the currency to the extent of £10,000,000, as the deputationists suggested. I pointed out that that would not help them at all, but would only aggravate their difficulties. I told them I was quite unable, even if I were willing, to get them a loan of £5,000,000 in London at present. Just now, nearly all the States are asking for loan money in London, and we ourselves need it—if we can get it—from that same source. Then there is the other proposal of the deputation, namely, that wool should be stabilized for two years by establishing a reserve price of 10d. per lb. on wool instead of 8d., as has already been agreed to. There may be some possibility of relief in that direction. Sir John Higgins invited these wool people to come into Bawra and avail themselves of the privileges which Bawra offers. Really, I think that that was good advice. Instead of this matter being brought before Parliament, as it has been to-day, and instead of the Government being asked to acquiesce in impossible schemes, it would be wiser to look a little nearer home and face the actual causes of the whole trouble. The honorable member for Darling (Mr. Blakeley) stated just now that these valuations, which showed such tremendous margins, were the valuations of twelve years ago. He left it to be inferred that the price of land in the districts indicated was very much higher to-day than it was then. But the contrary is the case. I understand that land in those parts is not now worth in some cases half what it was twelve years ago.

MR. BLAKELEY. — The Minister does not know what he is talking about.

SIR JOSEPH COOK. — I do! I would remind the honorable member that some of the causes of the trouble which is coming upon the people in whom he is interested are due to certain things which have been done and said in respect of land-owners by both the Queensland and New South Wales Governments.

MR. RILEY. — What are those things?

SIR JOSEPH COOK. — By a certain proposal of the New South Wales Government, the values of these lands have been written down. This has been

brought about specifically by the State Government saying they would compulsorily resume holdings, and give the owners bonds bearing  $4\frac{1}{2}$  per cent. interest.

MR. JAMES PAGE. — This is something new. I have not heard of it before.

SIR JOSEPH COOK. — Heard of what?

MR. JAMES PAGE. — Resuming land and issuing bonds.

MR. WATT. — A Bill was prepared.

SIR JOSEPH COOK. — That is the proposal of the New South Wales Government, and I believe a Bill was introduced into Parliament.

MR. JAMES PAGE. — Give us one instance in which it has been done.

SIR JOSEPH COOK. — They have not done it, because they could not get the Bill through. They are threatening to pass it next session.

MR. BLAKELEY. — It has not had the effect upon land values which the right honorable gentleman indicates.

MR. JAMES PAGE. — The Acting Prime Minister may speak of South Australia and New South Wales, but that is not the position in Queensland.

SIR JOSEPH COOK. — I am referring to New South Wales, and did not mention Queensland. The fact is that honorable members opposite, and the parties with which they are associated, are responsible for writing down the values of those lands, and it is time they began to recognise that the chickens are coming home to roost. We sympathize with those who are the victims, but honorable members opposite and their political friends are causing many of the troubles with which the graziers are confronted. They are also largely responsible for the attitude of the banks, who see their securities becoming less valuable.

MR. JAMES PAGE. — The Treasurer knows that that is not true.

SIR JOSEPH COOK. — I would not say it if I did not believe it to be absolutely true.

MR. BLAKELEY. — Your information is incorrect.

SIR JOSEPH COOK. — The honorable member and his supporters know that contracts made with the leaseholders in Queensland have been interfered with, and that trouble has arisen in consequence of such action, which has adversely affected the money markets in London and in Australia. They cannot have it

both ways. Honorable members cannot go out with predatory intent against these institutions, and then ask them to be more liberal than ever. It is of no use blinking our eyes at the situation. Personally, I have the greatest possible sympathy with those men who are struggling to keep their holdings, and who cannot secure the necessary accommodation from the banks.

Mr. GABB.—The Acting Prime Minister is endeavouring to make political capital out of it. That is the extent of his sympathy.

Sir JOSEPH COOK.—I shall leave it at that. In all the districts referred to by the honorable member for Darling (Mr. Blakeley), he and those with whom he is associated are helping these unfortunate people by submitting a new log for shearers which is going to add a great deal to the graziers' costs. I do not know the exact figures, but I believe it will mean a very great increase in the cost of production as compared with what it was before. On the one hand, there is a proposal which means more costly production by increasing the log rates, and on the other a request for financial assistance. Even the honorable member who submitted the motion will agree that that additional expenditure cannot be overcome by the introduction of machinery, or anything of the kind.

Mr. BLAKELEY.—They have no sheep to shear. They require money to stock up.

Sir JOSEPH COOK.—If they have no sheep to shear, will Bawra stabilizing the wool position help them?

Mr. BLAKELEY.—I am speaking of some cases where they have no sheep to shear.

Sir JOSEPH COOK.—The honorable member knows that very many have stock, and those who are in trouble are entitled to the keenest sympathy the Government can give them.

Mr. LAVELLE.—They want more than sympathy.

Sir JOSEPH COOK.—If the honorable member knows how to assist them, he should help. I am confessing that I cannot give them the assistance they require.

Mr. LAVELLE.—Then the right honorable gentleman should resign.

Sir JOSEPH COOK.—If we resigned, a Government might be returned that would repeat the actions of the Queensland and New South Wales Governments, which would make things a great deal worse.

Mr. LAVELLE.—Why not assist the graziers as you did the wheat farmers a little while ago?

Sir JOSEPH COOK.—All that I can do will be done. I trust the banks will be as lenient as possible. The policy of the banks throughout the world at the present time is to draw in as much as they can in the interests of their own solvency and financial stability. We have to meet the conditions that are upon us, and the honorable member for Darling stressing the so-called liberality of the South African banks does not help the position. He indorses all that General Smuts said concerning the liberality of South African banks, who are only charging  $6\frac{1}{2}$  per cent. He praises the action of the South African banks, and denounces that of the banking institutions here who are financing many important undertakings for us at 6 per cent.

Mr. BLAKELEY.—They are not charging the graziers 6 per cent.

Sir JOSEPH COOK.—It is quite the fashion to look abroad and praise everything but what is taking place here. The banks are financing our wheat for 6 per cent., as against  $6\frac{1}{2}$  per cent. which is being charged in South Africa, and which the honorable member praises with so much gusto.

Mr. BLAKELEY.—I praised General Smuts, who looked at the matter in a proper way.

Sir JOSEPH COOK.—The honorable member quoted the South African Prime Minister, and said that the test of that liberality was to be found in the fact that advances were being made at  $6\frac{1}{2}$  per cent. interest. I say, in reply to that, that our wheat and other Government enterprises are being financed by the banks in Australia for 6 per cent.

Mr. JAMES PAGE.—To what is that due?

Sir JOSEPH COOK.—I honestly believe it is due to the desire on the part of the banks to see this country through its troubles, and to ultimately secure the



financial stability of this land. I know of no other reason.

Mr. J. H. CATTS.—The Commonwealth Bank has kept the interest down.

Sir JOSEPH COOK.—The Commonwealth Bank of itself could not keep the interest down; but it has added its quota. We owe a great deal to the liberality of the banks of Australia for standing by us in our troubles and financing our enterprises to the fullest extent.

Mr. WEST.—They are conserving their own interests.

Sir JOSEPH COOK.—Of course they are. They may conserve their interests and at the same time render a great service to this country.

Mr. JAMES PAGE.—If the country goes down, the banks go also.

Sir JOSEPH COOK.—If the country goes down, we all go down in red raw ruin. But the country is not going down. We are getting through our difficulties as well as any country on God's earth.

Mr. GREGORY.—No.

Sir JOSEPH COOK.—That is my impression. I desire to say finally that all I can do to assist those men who are struggling under adverse circumstances will be done. We are all in trouble, and may well sympathize with each other, without the gibe about no one wanting merely sympathy. Of course, these people want cash if they can get it, but, unfortunately, it is not available. Every day I am being asked for millions. There seems to be a desire on the part of every State in the Commonwealth to rush to the Federal Government for financial assistance.

Mr. WATT.—Not every State, but a good many.

Sir JOSEPH COOK.—The honorable member's State has done very well, as he knows.

Mr. WATT.—Yes, by itself.

Sir JOSEPH COOK.—And out of the Commonwealth Government, too.

Mr. WATT.—No.

Sir JOSEPH COOK.—It has had a very good whack out of everything that has been going.

Mr. WATT.—That is the only mistake the right honorable gentleman has made in his speech.

Sir JOSEPH COOK.—I only wish to say, about the State to which the honor-

able member refers, that it is a very small and a very easily governed little State. It is well governed, but it is very highly favoured, and I am afraid that the people of it are sometimes apt to overlook the tremendous difficulties involved in the government and development of remote districts of the big States of the Union.

Mr. BLAKELEY.—Will the right honorable gentleman tell us what he is going to do about the request that has been made?

Sir JOSEPH COOK.—I told the honorable member on Friday what I was going to do.

Mr. DEPUTY SPEAKER (Hon. J. M. Chanter).—The honorable gentleman's time has expired.

Sir JOSEPH COOK.—I want to say, further, that I think the moving of this motion is an idle waste of time. I think that after the arrangements that were made, and my statement that I would try to do what I could for the honorable member, it is a waste of time for him to come here and ventilate the matter to-day, when to-morrow is Grievance Day.

Mr. DEPUTY SPEAKER.—I have already reminded the honorable gentleman that his time has expired.

Sir JOSEPH COOK.—I shall do my best for these people in the direction I have indicated.

Mr. GREGORY (Dampier) [4.2].—If the moving of the motion has any value, it lies in the fact that it gives some evidence that the honorable member for Darling (Mr. Blakeley) has realized the great importance of the primary industries of this country. Only a few days ago the adjournment of the House was moved to discuss the closing down of many of our mines, which has resulted in the turning of many thousands of men out of employment. To-day the honorable member directed attention to the financial stringency as it affects those concerned in the pastoral industry.

Mr. BLAKELEY.—The honorable member will admit that they are very closely intertwined.

Mr. GREGORY.—I think that, to a great extent, their difficulties are due to the same conditions. The honorable member has informed us to-day that New South Wales has 14,000,000 less sheep than she had formerly, and that there is at present a low price for wool and a low

price for stock in Queensland. This should make us realize that we need to be very careful of the paths we tread in future. We have been very careless in the past, and there is grave danger for the future, unless we mend our ways. This is naturally a time of financial stringency, but, as has been pointed out by the Treasurer (Sir Joseph Cook), that stringency must be accentuated by the class of legislation introduced into the New South Wales Parliament only recently, and the threat that that legislation is to be brought forward again.

Mr. PARKER MOLONEY.—To what legislation does the honorable member refer?

Mr. GREGORY.—Legislation affecting the land laws.

Mr. PARKER MOLONEY.—What is wrong with the land proposals?

Mr. GREGORY.—I could not quote from memory.

Mr. PARKER MOLONEY.—Then it is not fair of the honorable member to mention the matter if he cannot substantiate what he says.

Mr. GREGORY.—I read the Bill through very carefully.

Mr. PARKER MOLONEY.—Will the honorable member tell us something in the Bill which he can remember? I do not think that he has ever read it.

Mr. GREGORY.—The honorable member has no right to impute untruthfulness to me. It is a most discreditable exhibition on his part.

Mr. PARKER MOLONEY.—I have asked the honorable member a fair question.

Mr. DEPUTY SPEAKER (Hon. J. M. Chanter).—I ask the honorable member for Dampier to resume his seat. I appeal to honorable members generally to desist from interjection. Each honorable member has but fifteen minutes in which to address himself to the motion before the House, and he should, therefore, be heard in silence.

Mr. GREGORY.—The Bill referred to was specifically brought under my notice when visiting the New South Wales Parliament in November last, and I was supplied with a copy of it. One particular phase of the legislation to which I refer is the compulsory resumption of land and payment for it in bonds. If land values decrease, honorable members must be aware that no financial institution, which

has the people's money, and not its own, to lend, will continue to advance the same amount upon land.

Mr. BLAKELEY.—Upon whose authority does the honorable member assume that land has depreciated in value?

Mr. GREGORY.—From letters I have received from leaders of the pastoralists' and graziers' organizations in Sydney, and from long conversations which I had in Sydney in November and December, I learned the difficulties confronting not only graziers, but farmers, and was informed that there had been a material depreciation of land values.

It is impossible for the Commonwealth Government to take action in this matter. The financing of the graziers of New South Wales is absolutely and wholly a question for the State Parliament. It would not come within our functions under the Constitution. Of course, I am aware that the Commonwealth Government might lend money, if they had it, to the New South Wales Government; but the making of advances to individuals must be a State matter. There is one thing about which we should be particularly careful when reference is made to the Commonwealth Bank, and that is that there should be no endeavour to bring political pressure to bear upon the management of that Bank. I should like, personally, to see some greater permanency of tenure given to the directorate of the Bank, but there can be no doubt that, if it is to be a success, it must be completely free from political influence in any shape or form. I cannot entirely agree with the Acting Prime Minister (Sir Joseph Cook) concerning the reason for the difficulties at present confronting the mining and grazing industries.

Mr. STEWART.—They will be all right now we have the Tariff.

Mr. GREGORY.—There can be no doubt that many of our troubles to-day are due to economic as well as to industrial conditions. Much of the trouble has been brought about by Government interference. I think that speeches made on this motion might well be made on the Tariff, as it might be pointed out that, by increasing the cost of living through the Tariff, we are making it more difficult for those engaged in the mining, farming, and pastoral industries to carry on. For the purpose of discussion of the Tariff I



brought here to-day some particulars concerning the condition of Argentina. That country has not to face the difficulties confronting us, as it did not assist in the war; and, therefore, has not incurred a big war debt. The statement I have before me refers to the marvellous progress which Argentina has made within the past few years. I quote the following:—

The economic state of Argentina is one of veritable prosperity, according to the recent report issued by Ernesto Tornquist and Cia, bankers, of Buenos Aires. The abundance of cereal production, coinciding with the world-wide scarcity, has occasioned keen competition among the countries interested in securing a portion of it for themselves. Contrary to the fears which were at one time, entertained, neither unfavorable exchange rates nor high prices have proved to be an obstacle in the way of the easy sale of the country's produce in general. In consequence, large numbers of ships have arrived, and continue to arrive, at the various ports, and the country's foreign trade has become enormously active of late. . . Low exchange rates have favoured the cancellation of mortgages and other debts in Europe, and important quantities of bonds of the Argentine public debt, Cédulas of the National Mortgage Bank, &c., have been imported. Furthermore, subscriptions to loans recently floated by the Governments of France and Italy reached very high sums in Argentina. In short, Argentina is passing through an epoch of great prosperity, and one which, judging by all appearances, is likely to continue for some time.

Mr. JAMES PAGE.—Ever since I can remember the boggy of the Argentine has been trotted out before us. We are not frightened of the Argentine.

Mr. GREGORY.—The quotation I have made shows that that country is making wonderful progress.

Mr. CORSER.—In extraordinary circumstances.

Mr. GREGORY.—Extraordinary circumstances which, in our case, have been destroyed by our economic and industrial conditions. I think we would be justified in giving serious consideration to our present industrial laws. When prices were soaring in this country, the workers, in my opinion, did not receive a fair share of the huge profits that were being made. I am anxious that they shall always receive fair play; but, having regard to the wretched economic position with which we are faced—in view of the fact that mines are closing down, and that there will be no employment for men in the out-back country, the existing condition of things must be changed.

Mr. JAMES PAGE.—Working men are human beings, and, like other people, want some of the joys and pleasures of life.

Mr. GREGORY.—The honorable member is aware of the difficulties under which pastoralists in his own State labour. Working men in the out-back districts have none of the opportunities for enjoyment that offer in our principal cities. There are few privileges for the man on the land. Taxation, both direct and indirect, is piled upon him. He has the greatest difficulty in obtaining labour, and his capacity to comply with arbitration awards is altogether different from that of the city business man.

I do not propose to further delay the House. This debate, it seems to me, can be of little value since the matters complained of do not come within the province of this Parliament. The Acting Prime Minister (Sir Joseph Cook) has said that he would be pleased to consider proposals coming from the Government of New South Wales, and I hope he will see how far he can help to tide over the present unfortunate position in which the graziers now find themselves. It may be possible to do something to improve the position, but the remedy lies wholly with the Government of New South Wales, and cannot be brought about by any direct action on the part of this Parliament.

Mr. PARKER MOLONEY (Hume) [4.13].—I do not think that any one will say that the remarks made by the honorable member for Dampier (Mr. Gregory), or the utterances of the Acting Prime Minister (Sir Joseph Cook), are likely to help in any way the people on the land who, at the present time, are labouring under serious disabilities. The honorable member for Dampier indulged in one long tirade, against the workers of Australia, and was reminded by the honorable member for Maranoa (Mr. James Page) that the workers have the same right to live as has any other section of the community. When he asserted that the Land Bill introduced into the Parliament of New South Wales by the State Government had depreciated land values in that State, and was making the position of the man on the land extremely difficult, I asked him to cite one clause

in the measure which was calculated to have such an effect. He was unable to do so, and I suggested that he had never seen the Bill. I feel sure that he has not seen it, or that if he has he has not carefully considered it. The honorable member said that it provided for the compulsory resumption of land, and that because of that provision it had had the effect of depreciating land values in New South Wales. In Victoria, where there is not a Labour Government in power, an Act providing for the compulsory resumption of estates has been in operation for many years. When it was being passed there was no talk on the part of the banking institutions of calling upon land-holders or any one else to reduce their overdrafts; but because such a measure was introduced by a Labour Government in the New South Wales Parliament, the honorable member urges that it has brought about all the difficulties under which land-holders in that State are labouring to-day. We know, as a fact, that it has not done so. The Acting Prime Minister (Sir Joseph Cook) also urged that the man on the land in Queensland and New South Wales had been subjected to the most unfortunate conditions because of legislation passed by State Labour Governments. It is to be regretted that the right honorable gentleman was unable to discuss this question without introducing party politics. He might have well been expected to propound some scheme to assist the people on the land who are in such difficulties to-day. Unfortunately he made no such attempt, but approached the consideration of the question from a purely party-political stand-point. The right honorable gentleman also made the most extraordinary statement that land values in New South Wales were higher twelve months ago than they are to-day.

Mr. WEST.—That is quite incorrect. The resumption of land for soldier settlement has actually increased prices.

Mr. PARKER MOLONEY.—I shall not say that the Acting Prime Minister made the statement knowing it to be false, but it certainly is wholly opposed to fact. Land values in New South Wales to-day are as high as they have been within my knowledge for the last fifteen years. If the right honorable gentleman and the honorable member for Dampier really believe that land values in the Mother State

have very greatly depreciated, I invite them to seek to purchase land there. If they do, they will speedily discover that they are mistaken.

Mr. BELL.—If land-owners are having such a bad time, as we are asked to believe, then values must soon decrease.

Mr. PARKER MOLONEY.—That is an entirely different matter. The honorable member is looking at the question from the right point of view. If as a result of the most disastrous drought ever experienced in New South Wales land-owners there are in difficulties to-day, and if, because of those difficulties, they are in many cases forced off the land, values will certainly decrease. The present situation is due to natural causes, and what I might describe as "bad luck," rather than to legislation.

Mr. GIBSON.—Those natural causes have been operating during the last three years, and in that way land values have been depreciated.

Mr. PARKER MOLONEY.—Quite so.

Mr. BELL.—But the honorable member said a few moments ago that land values in New South Wales to-day were as high as they had been for many years.

Mr. PARKER MOLONEY.—Yes; because land-owners who have had to fight drought conditions have not yet had pressure brought to bear upon them by the banks. They are struggling under serious handicaps due to the natural causes to which I have referred, and if the financial institutions call upon them to reduce their overdrafts before they can get on their feet again, there certainly will be a depreciation in land values. Bad seasons and not bad legislation are responsible for the present situation. As a matter of fact, the Land Bill to which the honorable member for Dampier referred was not passed. It was withdrawn. That Bill was capable of much service, and I trust that it will be improved and re-introduced, in the hope of doing something in the direction of cutting up large estates of 50,000 and 60,000 acres and over, and thus giving an opening to people who are now looking for land in vain.

There was one other statement made by the Acting Prime Minister in regard to the assistance which he says is always given by the private banking institutions



of the country. He told us that the pastoralists and others have much to thank the private banks for; but the right honorable gentleman did not give credit where credit is due. The interest charges for the last few years have been comparatively light, owing, to a large extent, to the steadying influence of the Commonwealth Bank. Before that Bank was instituted, the interest charges were infinitely higher than they are now.

Mr. GIBSON.—Why does the Commonwealth Bank not assist these land-holders now?

Mr. PARKER MOLONEY.—As already pointed out, the Commonwealth Bank has done a great deal, but it cannot do everything. It could, however, be made capable of doing a great deal more if it were administered by some other Government than the present Government.

Mr. BELL.—Political influence!

Mr. PARKER MOLONEY.—Not at all. The Commonwealth Bank should be capable of exercising all the functions of a truly national bank, functions which it does not now exercise. There is too much political control brought to bear, and this prevents the Bank doing what a national bank should. Too much thought is given by the Government to the protection of the private banking companies, and, because of that, the Commonwealth Bank cannot perform its proper functions. If it were allowed to perform these functions, the pastoralists and others on the land to-day would not be experiencing their present difficulties. The national credit of this country could be used to a greater extent than it is; it was so used during the war period, and it can be used in any time of national difficulty. The war was a national trouble, and, had it continued, we should have had to rely on our national credit for years to come. It is a hackneyed, but nevertheless a true saying, that the primary producers are the "backbone of the country"; and now they are in difficulties. If these producers suffer, the whole country suffers, and the present is a time when the national credit should be used to relieve them by means of the National Bank. Perhaps it would be too harsh to say that the Acting Prime Minister is preventing that being done by the Bank; but there is no doubt that the

right honorable gentleman in his position as Treasurer could do something to assist it in using the national credit to a greater extent. I have several letters in my possession from people on the land in New South Wales, and they are typical of hundreds referred to by the honorable member for Darling (Mr. Blakeley) and others. It will be admitted that the position of New South Wales is exceptional. During the last four years, that State has suffered more from drought and bad seasons than any other State of the Commonwealth.

Mr. HILL.—What is to prevent the State Government of New South Wales giving those land-holders relief?

Mr. PARKER MOLONEY.—Comparatively speaking, it is only the other day that the State Government did come to the assistance of the land-holders; but the powers of a State Government are nothing in comparison with the powers of the Commonwealth Government. As a matter of fact, the State Government borrowed and spent £2,000,000 on the relief of the land-holders, £1,000,000 as a direct contribution, and another £1,000,000 in building silos. That has been done by the present State Government during its short period of office, and it is a record unequalled by any other Government in Australia.

Mr. DEPUTY SPEAKER.—The honorable member's time has expired.

Mr. CUNNINGHAM (Gwydir) [4.28].—Honorable members who have spoken in opposition to any action being taken by the Commonwealth Government do not, in my opinion, take a broad enough view of the position. Those honorable members seem to think that the difficulties referred to are confined to New South Wales, but there is evidence that they affect Queensland, as well as certain portions of Victoria. There is no doubt that the State Governments can afford a certain amount of relief, and the New South Wales Government have promised to do so, but this industry is a national one, extending all over Australia, and under the circumstances I submit that it is the duty of this Government to take steps to safeguard it. The Commonwealth Government very properly has control of the defence of the nation, because such a matter

cannot properly be managed by the States individually, and on the Commonwealth Government falls the duty of safeguarding the interests of the nation. I submit, therefore, as a fair analogy, that when war is being made, as it were, on a section of our primary producers engaged in a national industry, the Commonwealth Government ought to come to their protection and aid. We have been told that the banks have gone as far as they can—that they are business institutions, and have to safeguard themselves. I remind honorable members, however, that the private banks enjoy certain privileges under the laws of this country, and, moreover, that when money is plentiful we find bank managers approaching producers and urging them to go into propositions in order to absorb bank funds that would otherwise be idle. Many men have been induced by bank managers in that way to go into certain propositions, and now that the period of depression has come upon us, some of the banks are suffering from cold feet, and are doing much to injure the credit of this country by intimating to the landholders that their credits are not good, or that they have to reduce their overdrafts.

Mr. GABB.—It may be something else besides cold feet.

Mr. CUNNINGHAM.—Yes; some say that this is a deliberate attempt to discredit Labour Governments, and it is significant that this move was first made in New South Wales, a State which has as good credit as has any other in the Commonwealth. Still, it is there that we find a great move made to order men to reduce their overdrafts. In order to meet this order, many of the men are forced to dispose of what I call their reproductive capital. A man may have 2,000 acres of land worth £3,000, with £1,000 worth of sheep—a flock that he has, perhaps, spent years and years in breeding up to a certain pitch of perfection. When he is ordered to reduce his overdraft, he has to sell that flock. Therefore, to reduce his overdraft, he leaves his property bare of stock, and, consequently, bare of his reproductive capital. Land and grass, without stock to grow wool or increase in weight

to be sold as fats, are of no use. The reason for the attitude of the banks is beyond my comprehension. They stood at the back of the importers and paid their debts overseas, as we know, because the papers are full of it. When these men ordered ten times the amount of stuff they required, and large quantities were unexpectedly delivered, the banks stepped in and met their debts overseas. The papers went so far as to say that the banks should have shut down on the importers six or twelve months before they did. It was only when these men had drifted into such a position that the banks saw no chance of their paying their debts, that they shut down on them, and refused further credit.

Mr. CORSER.—I am afraid the honorable member is making a great mistake there.

Mr. CUNNINGHAM.—My information came from reliable sources, as well as the daily press that supports the present Federal Government. If I am wrong, the honorable member's press supporters are wrong also. It seems to me that the action of the banks is designed to crucify the country at the expense of the cities. I am one of those on the land, and am continually receiving letters from men who have been forced to sell their live stock. If this policy is persisted in, the Government will find big areas of land in New South Wales, as well as in other portions of Australia, without stock on them. The present holders will have no incomes during the next twelve months, and, consequently, large amounts of revenue will be lost both to the State and Federal Treasuries. Blood cannot be got out of a stone, and if a man has no income, he pays no income tax. If the banks persist in their attitude, and do not call their dogs off, many of these men will be forced off their holdings, and if the mortgagees foreclose, the properties will be sold. The bank in each case is, of course, covered, because it has advanced only about one-third of the value of the property, and, consequently, will get its money out of it; but what becomes of the man who is pushed out with nothing? He joins the ranks of the unemployed, and drifts into the city, and then there is a clamour for the



raising of State loans in order to provide employment. The banks themselves will buy up many of these properties after the occupiers have been forced out. In the past the banks have put up "dummies" to buy in properties of that kind. I have known cases where men were forced out by the banks, and the "dummies" put up by the banks bought their properties. The banks, using their position under the laws of the country, have been able to acquire properties in that way at less than their true value, and to thrust out many a pioneer with his swag on his back after all his years of labour.

We on this side take up the position that it is the duty of the Government to see that no man is pushed out of his home when his position is not his fault. Honorable members opposite may say that that is not a business proposition. They are full of praise to-day for the gigantic harvest we have had in New South Wales, which brought into that State approximately between £35,000,000 and £40,000,000; but when the State financed those men, when it gave them seed wheat and orders on the storekeepers for groceries and horse feed, that was not a business proposition either. Many of those men were walking about waiting for the storekeepers to sell up their horses and drays and farming machinery. I know one farmer in Narrabri who told me that fifteen months ago he did not know where to look for his next month's credit, and yet to-day he stands behind £1,500 worth of wheat. Giving him assistance was not a business proposition, and no bank in the world would have touched him at that particular period, but Governments are not like banks. We must not look at these matters from the business point of view from which a bank looks at it. The function of a Government is to protect its people, and if the present Government fails to realize its duty in that regard the alternative is that these men will be pushed out, and will join the army of unemployed. If that is allowed to happen, this Government will have neglected its duty. I was surprised to hear the Treasurer adopting such a helpless attitude as he took up to-day. One would think

*Mr. Cunningham.*

that his hands were tied, and that he was powerless; yet men who are considered to know finance and to understand the Constitution of the Commonwealth say that it is the duty of the Commonwealth Government to stand behind the men on whose behalf I am speaking. The Government is the controller of finance in Australia. The Commonwealth Government controls the note issue, which is one of the main factors of the finance of the nation. If the Commonwealth Bank cared to take up the accounts of these men it could increase its business three or fourfold with no risk, and acquire their business for all time. It was to protect the people that this Bank was instituted. It is the duty of the Commonwealth Government to stand behind these men in their period of depression. They look to the Government, as the controller of finance, to perform its duty to the people of the community. What else are Governments for, if it is not to safeguard the interests of the people? It is a poor consolation to the man who is pushed out to be told that the Commonwealth Treasurer sympathizes with him. The Treasurer said plainly and emphatically to-day, "I cannot help these men." We say that a Treasurer who adopts an attitude of impotence, who says that he can do nothing, has failed to realize his functions as a member of the governing body which represents the people of Australia. One honorable member, and, in fact, the Treasurer himself, decried the credit of these people by saying that the lands which they occupy are not so valuable to-day because of certain proposed legislation. That is all a myth, because if the Land Bill referred to had been passed it would have applied only to estates of over £30,000 in value. The men for whom we are fighting have assets far below that in value. They are men with £2,000 or £3,000 up to £8,000 or £10,000 worth of property and plant. A man with £30,000 worth of land would probably hold, with land and stock together, assets in the neighbourhood of £50,000 or £60,000. It will be found that none of the men quoted by the honorable member for Darling (Mr. Blakeley) hold assets going above £10,000 or £15,000, and the great bulk of them possess far below that figure. In fact, most of them come within the limit of £5,000, which is only one-

sixth of the estate value which it was intended to affect by the passage through the New South Wales Parliament of the Bill in question. For a man in a responsible public position to decry any State is traitorous to the Commonwealth itself. These land values have not decreased. A member sold land in New South Wales only a few days ago at remarkable prices.

**Mr. LAVELLE.**—At what prices?

**Mr. CUNNINGHAM.**—Prices far above any placed on the land mentioned here this afternoon. I understand that grazing land was sold for £7 10s. an acre. When prices like that are obtained, there can be no depreciation of values. Prices may have gone down a little, but not to such an extent that the banks have to force men to meet their overdrafts by sacrificing their stock. Men who are forced to sell their stock under these circumstances will be ten times worse off than they were while the stock were on their land. I am of opinion that the banks are not disinterested in this action. They hold large areas of grazing land, and during the drought did not spend money on saving their stock. They preferred to let their stock die, and to depress the stock market, so that they might restock at the expense of the small land-holders, whom they are dragooning. I hope that the Commonwealth Ministry will realize its duty under these circumstances, and that, if the Treasurer says that he can do nothing, this Parliament will insist that he shall, if necessary, use all the resources of the Commonwealth to save these men from being forced to join the great army of unemployed. Of what use is it to bring thousands of immigrants here to be put on the land if our own people are being turned off it? If our own men cannot make a living on it, no new-chum immigrant will do so. If this Government does not do its duty now, I trust that the electors will call it to account when they have the opportunity to review the work of this Parliament. It is the duty of the Government to stand behind the men on the land when the banks are threatening to turn them off. The banks have been well paid for whatever they may have done for the

Government in the past, and their dividends were never greater.

**Mr. RICHARD FOSTER** (Wakefield) [4.45].—It is not fair that a wrong impression should go from this House as to the function of the National Government and the National Parliament in regard to the subject discussed in this debate. It is not the function of the National Parliament to do what it is said should be done; the business is one for the State Parliaments to deal with. Every man in this House may sympathize with the producers—

**Mr. BLAKELEY.**—They will be glad of your sympathy!

**Mr. RICHARD FOSTER.**—Yes; and they would be glad of honesty. The honorable member is the last who should have made that interjection. As he has been reminded this afternoon, he is the president of a big organization that is increasing tremendously the cost of shearing sheep.

**Mr. PARKER MOLONEY.**—That statement is a reflection on the Arbitration Court.

**Mr. RICHARD FOSTER.**—Last week, the honorable member for Darling (Mr. Blakeley), when moving the adjournment of the House to discuss the position of the copper market, said that his great union would not, under any conditions, surrender a single penny in wages.

**Mr. BLAKELEY.**—Exactly. We say, "Abide by the Arbitration Court's decisions."

**Mr. RICHARD FOSTER.**—The honorable member knows that the President of an Arbitration Court—if any such Court which has been extreme can be so named—has advised the miners to accept a reduction of 20 per cent. If what is now proposed were done, where should we end? The conditions that have been spoken of by the honorable member and others prevail, not in the wool industry alone, but in every other industry, and are likely to be acute for some time to come. It has been insinuated that the banks are acting cruelly; but, knowing something of the actions of the banks towards the industries of this country, and particularly towards our primary industries, I maintain that we in Australia have banks which are as well conducted



and as generous as any in the world. During the past few years the generosity of our banks has been emphasized.

Mr. GABB.—We may thank the Commonwealth Bank for keeping the others up to their obligations, then.

Mr. RICHARD FOSTER.—The Commonwealth Bank has not done so. It has done what the other banks have done. Had it not done that, it would not have been so successful as it has been from its inception. I do not want the impression that might be caused by the remarks of some speakers about the banks to go abroad as the truth, because it is not. I know what have been the misfortunes of the people of New South Wales during the past two years, and I sympathize with those who have suffered; but, everything considered, the position of our producers is, generally speaking, satisfactory. Recently, in conversation, one of the biggest machinery men in Australia told me that, taking the Commonwealth as a whole, 90 per cent. of the acceptances for machinery falling due two or three weeks ago were met. I spoke of the misfortunes of the men in New South Wales, due to the drought, and his reply was that the way in which that State, as well as the others, had come up to the mark in its payments was amazing. If anything is to be done for the relief of producers in New South Wales, it should be done by the New South Wales Government. The National Government should tell the people, in unmistakable language, that this is not its business, and that it does not propose to follow a dangerous path. This Government will have enough to do to pay its own debts; indeed, it will have to strain its resources to the utmost, now and for some time to come, to meet its own engagements.

Mr. LAVELLE (Calare) [4.52].—Although the Acting Prime Minister (Sir Joseph Cook) and the Deputy Leader of the Country party (Mr. Gregory) have said that this debate is a waste of time, and that the subject that is being discussed should not have been brought before the Chamber, I hold that no more important subject has been discussed here, during my term, at any rate. Realizing, as I do, the position of the graziers of Australia, and particularly of New South Wales, I am surprised that any member

should say that the adjournment should not have been moved to discuss this subject, and to impress on the Government that it is its duty to come to the assistance of the men on the land. As I am particularly interested in the subject, I have listened attentively to all the speeches that have been delivered during the debate, and paid more than usual attention to that of the Leader of the Government. But of what did it consist? The right honorable gentleman said that he sympathized with the graziers in the present crisis, but that he could not, and would not, do anything to assist them. The rest of his speech was an attack on the Labour Governments of New South Wales and Queensland. He endeavoured to make party capital at the expense of the graziers of Australia, not caring how many men might be forced off their holdings and on to the labour market, so long as he could do that. In speaking of the attitude of the Labour Government of New South Wales to the land-owners of the State, he carefully refrained from mentioning that last year the Government did what no other Government has done; it borrowed £2,000,000 to assist necessitous farmers, with the result that the acreage under wheat was increased, and has given a generous return. That Government last year, by its action, stabilized the man on the land; and actions speak louder than words. Members opposite have spoken of the generosity of the banks, and have said that they did not believe that the banks were forcing men off the land. They added that the banks themselves are having rather a bad time, and, being short of money, are asking their customers to reduce their overdrafts. I find from a report in the *Argus* that the net profits of the Bank of New South Wales for the last six months amounted to £403,932, as compared with net profit for the previous six months of £364,219. It would appear, therefore, that while the Bank had an exceptionally prosperous time in the previous six months, it did much better during the half-year that has just closed, a dividend of 10 per cent., as well as an extraordinary bonus of 10s. per share, being paid. Notwithstanding this, the Government and members of the alleged Country party have been trying to persuade us that the banks have been

generous in their treatment of graziers and land-owners generally, and that they are having rather a bad time themselves. This, of course, is not so. A few weeks ago honorable members had an opportunity to discuss the financial difficulties of the wool-growers, owing to the fact that they are unable to market their wool. That debate in itself was an admission that the graziers' position is a very serious one indeed. Figures relating to the stock returns in New South Wales show that at the present time there are only 25,000,000 sheep in that State—the smallest number recorded during the last forty-six years. The land, since the drought, is flowing with milk and honey, so far as grass is concerned, but the graziers are unable to stock up. Many, indeed, are being forced to sell in order to carry on. Speaking with a positive knowledge of this subject, I can inform honorable members that three weeks ago we sent a couple of hundred sheep to the Sydney market, the consignment including 100 crossbred wethers, well grown and in prime condition; and 90 lambs, exceptionally well grown and very fat. For these we obtained a net return of only 11s. per head, whereas a couple of years ago the wethers would have realized from £2 10s. to £3 per head in the Homebush market. This proves conclusively that some graziers are in financial difficulties, and are being obliged to sacrifice their stock in order to meet the claims of the banks. It is of no use for the Treasurer to say that the banks are lending money on exceptionally cheap and easy terms. Speaking again from personal experience, I can inform honorable members that I am paying  $7\frac{1}{2}$  and 8 per cent. for my accommodation from the bank, so honorable members will have some idea of the real position and the so-called "generosity" on the part of the banks. I submit, therefore, that it is the duty of the Government to come to the assistance of the graziers by enlarging the powers and extending the functions of the Commonwealth Bank, if necessary, so that the Bank may take over graziers' accounts and finance them until the wool and stock market is stabilized, thus preventing the ruin which must inevitably come to a large number of land-owners unless something is done to help them. Every honorable

member, I think, realizes that the most important industry in Australia is that of wool-growing, and because of its precarious position at present, some definite action should be taken to prevent the graziers from being forced to realize on their stock or sacrifice their land.

*Debate interrupted under standing order 119.*

## REPATRIATION DEPARTMENT.

### REGULATIONS—LIVING ALLOWANCE.

Mr. MARR asked the Minister representing the Minister for Repatriation upon notice—

1. Has the Repatriation Commission power and authority to interpret the regulations under A.S.R.A. of 1920, and to issue such interpretations in the form of rulings and written instructions for the guidance of State Repatriation Boards and Deputy Commissioners?
2. Are State Boards and Deputy Commissioners bound by such rulings and instructions?
3. Are such rulings and instructions issued confidentially?
4. If not, why are they not obtainable from the Government Printer, in view of the expenditure of public money which is involved?
5. If they are issued confidentially, why are they so issued, in view of the expenditure of public money which is involved?
6. Are such rulings subject to Ministerial sanction and/or confirmation, or are they issued on the absolute authority of the Commission?
7. Will the Minister lay on the table of the House copies of all rulings and instructions issued by the Commission, with those dealing with the question of living allowance specified in a covering reference sheet for the convenience of honorable members?
8. Is the devising of these rulings and instructions the work of any individual member of the Commission, or is it the work of all three members?
9. If it is the work of an individual member, what is the member's name?

Mr. GROOM (for Mr. RODGERS).—The replies are—

1. Yes.
2. Yes.
3. These rulings and instructions are issued only for the guidance of those who are administering departmental benefits and activities.
- 4 and 5. See 3.
6. They are issued on the authority of the Commission.
7. Yes, copies will be prepared and issued as requested.
8. The devising of these rulings and instructions is the responsibility of the Commission as such.
9. See 8.



**Mr. LAVELLE** (for **Mr. LAZZARINI**) asked the Minister representing the Minister for Repatriation, *upon notice*—

Will he inform the House, with regard to the reductions in the living allowances to soldiers' widows and mothers, whether this is being done by the Commission for Repatriation acting on its own initiative, or on instructions from the Minister?

**Mr. GROOM** (for **Mr. RODGERS**).—The reply is as follows:—

The payment to soldiers' widows are made as directed in the first schedule of the Australian Soldiers Repatriation Act of 1920, and in the case of all widows with dependent children they represent an increase in the total amount (pension and living allowance combined) paid under the old Act. The pension paid soldiers' widowed mothers is also provided under the first schedule of the amending Act, which further prohibits the granting of pensions to the children of such widowed mothers unless they were dependent upon the deceased soldier (see section 22, "Dependants" (d) and the third schedule, "Other Dependants"). The Act of 1920 was designed to merge pension and living allowance in the one payment—the pension. The only variation made by the Government has been in the direction of increasing the benefits provided by the Act.

### GERMAN REPARATION AND INDEMNITY.

**Mr. STORY** (for **Mr. HIGGS**) asked the Acting Prime Minister, *upon notice*—

1. What are the Allies' terms and conditions of reparation to which Germany has agreed?

2. What is Australia's share of the indemnity?

3. When will Australia receive same, or a portion thereof?

**Sir JOSEPH COOK**.—The information in possession of the Government in respect of this matter is not quite complete. Inquiries have been made by cablegram of the British Government, but a reply has not yet been received. The honorable member will be furnished with a reply to his question as soon as the particulars are available.

### ANGLO-JAPANESE TREATY.

**Mr. RILEY** (for **Mr. J. H. CATTS**) asked the Acting Prime Minister, *upon notice*—

1. In regard to the review of the Anglo-Japanese Treaty at the June Imperial Conference, does the Australian Government subscribe to the Hay doctrine of Chinese integrity and independence or not?

2. Will the Government make representations to the Prime Minister of Australia that, if Australia is in any way a party to a renewal of the Anglo-Japanese Treaty, it should be speci-

ally provided that there shall be no secret clauses or understandings such as were revealed in connexion with the Anglo-French relations in 1911, 1913, and 1914?

**Sir JOSEPH COOK**.—The reply is as follows:—

1. Yes, as far as possible. I refer the honorable member to clause b of the preamble to the present treaty, which provides for "the preservation of the common interests of all Powers in China by insuring the independence and integrity of the Chinese Empire, and the principle of equal opportunities for the commerce and industry of all nations in China."

2. Both Great Britain and Japan are bound by the Covenant of the League of Nations, Article 18 of which requires that "every treaty or international engagement entered into hereafter by any member of the League shall be forthwith registered with the Secretariat, and shall as soon as possible be published by it. No such treaty or international engagement shall be binding until so registered." There is, therefore, no need to make the representations suggested.

### QUEENSLAND PINEAPPLE INDUSTRY.

**Mr. MACKAY** asked the Treasurer, *upon notice*—

1. Has the State Supervising Officer favorably reported on the pineapple pack in Queensland?

2. Will the Minister state what firms in Queensland received assistance from the Commonwealth; what was the quantity of fruit canned; and what was the amount advanced to each firm for this season's pack?

**Sir JOSEPH COOK**.—The reply is as follows:—

1. The Queensland Government controls the work, and the pack is being canned wholly under the direction of inspectors appointed by the State Supervising Officer, who prescribed a standard for the pack. The finished article should, therefore, be of very high quality.

2. Quantities canned and advanced to date are:—

	doz. tins.	£	s.	d.
Brisbane Fruit-growers				
Co-operative Limited	19,629 ..	7,360	17	6
J. Hargraves and Sons				
Ltd.	5,766 ..	2,162	5	0
Victoria Cross Mfg.				
Co. Ltd.	8,986 ..	3,369	15	0
Michael Finucan	426 ..	159	15	0
	34,807	£13,052	12	6

### KING AND EMPIRE ALLIANCE.

#### LOYALTY DEMONSTRATION.

**Mr. LAVELLE** (for **Mr. BLAKELEY**) asked the Acting Prime Minister, *upon notice*—

Did the King and Empire Alliance hold a loyalty demonstration in the Sydney Domain on

the 8th May, 1921, and were expenses amounting to approximately £70 in connexion therewith paid by the Commonwealth Works and Railways Department?

**Mr. GROOM.**—Some work was supervised by the Works Branch in Sydney under a misapprehension as to the origin of the request, but all expense was borne by the King and Empire Alliance.

### COMMONWEALTH WAR HISTORY.

**Sir GRANVILLE RYRIE.**—With reference to the inquiry from the honorable member for South Sydney (Mr. Riley) as to when the history of the war which is being written by Captain Bean will be issued, I desire to inform him that the national history consists of twelve volumes, six of which are being written by Mr. Bean, and five by other writers, while one will contain a collection of official photographs. Mr. Bean is editing the whole series, and assisting to organize the medical, regimental, and other histories as well. The first of Mr. Bean's volumes, dealing with Gallipoli, will be published in a few weeks. Of the other volumes, that dealing with Palestine, written by Mr. Gullett, is complete, except for revision, annotation, indexing, and a few of the maps, and will be issued within a few months. The text of those dealing with the Flying Corps, written by Mr. Cutlack, and the Effort of Australia, by Mr. Heney, is nearing completion. The volume of photographs is being edited, and will probably be published shortly after that dealing with Palestine. It is hoped that Volumes VII. to XII. will be ready for the printer this year. Volumes II. to VI. will be issued at intervals thereafter. The intervals are difficult to estimate.

### TARIFF.

#### *In Committee of Ways and Means:*

Consideration resumed from 27th May (vide page 8735):

#### DIVISION VI.—METALS AND MACHINERY.

Motive Power, Engine Combinations, and Power Connexions are duitable under their respective headings when not integral parts of machines, machinery, or machine tools.

##### Item 136—

Iron and Steel—

(A) Pig iron per ton—British, 20s.; intermediate, 30s.; general, 40s.

**Mr. WATKINS** (Newcastle) [5.8].—Honorable members are aware that I have

always advocated the nationalization of the iron and steel industry in Australia, but as it has been proved over and over again that the Commonwealth has no power under the Constitution to do that, we have encouraged the establishment, in two instances, of big iron and steel works in the State of New South Wales. Many thousands of people are employed directly and indirectly by these works, and my concern is as to their continued employment and the conditions under which they are working. I find that since this schedule was placed on the table of the House there have been considerable changes, such as increases in the price of coal, increases in harbor dues, and increases under Wages Boards findings, so that the commercial values of the duties set out on most of the lines produced by the two big establishments in New South Wales have been, in some instances, reduced by 70 to 80 per cent., and in other cases completely obliterated. For instance, the value of the duty on pig iron has been reduced by 70 per cent. Instead of being 20s. British, 30s. intermediate, and 40s. general, it is 6s. British, 16s. intermediate, and 25s. general. The same thing applies right down the list of similar items. Recently, there has been a considerable increase in the importation of steel and iron, presumably from Belgium, but it is questionable whether the imported steel has not really originated in Germany, where, as I shall show, the wages paid are exceedingly low in comparison with those paid in Australia. This material has been landed in Australia and sold at about £10 per ton less than the price of the local production, and if this importation continues, it is obvious that it will be utterly impossible for our own works to compete. The value of the duty on ingots, blooms, &c., has been reduced in the manner I have already described from 32s. British, to 10s. 7d. I do not propose to weary honorable members by instituting a detailed comparison in regard to the duties under the intermediate or general columns of the Tariff. It is sufficient to say that the reductions are proportionate throughout. The reduced value of the 44s. duty on bar, rod, angle, and tee steel is minus 2s. 8d. That is to say, the duty has been practically wiped out altogether.

**Mr. GREGORY.**—I wish it were.



Mr. WATKINS.—Then the honorable member wishes that the industry were wiped out, because if he wipes out the duty the industry must go. The value of the duty on wire rods has been reduced from 44s. to 11s. 2d.; on rails weighing 50 lbs. per yard and over, from 35s. to minus 2s. 3d.; on rails weighing less than 50 lbs. per yard, from 45s. to minus 5s. 5d.; on fishplates, tieplates, and rods from 48s. to minus 12s. 6d.—here again the duty has been wiped out completely—and on rolled iron or steel beams, channels, joists, &c., from 48s. to 10s. 9d.

In 1919 the average wage earned in the Broken Hill Iron and Steel Works, now employing 5,670 hands, was £14 11s. 7d. per employee per month; in 1920 it had risen to £18 1s. 8d. per employee per month, while the average wage per employee per month for 1921, including the application of Judge Beeby's recommendation on a forty-four hour week, is £22 12s. 10d. The 40,000 employees of the Phoenix Company of Germany earned, in 1913-14, on an average per employee per month £7—that is the competition we have to face—but with the depreciation of the mark, although there has been an apparent increase in the wages of the company generally, the monthly average wage per employee was £5 6s. 10d. in 1919,

Mr. GREENE.—That is the equivalent in sterling.

Mr. WATKINS.—I have no desire to weary honorable members with a statement explaining the variation in the value of the mark. We are also faced with the competition from America, where there have been certain reductions in wages agreed to. The *Iron Age*, of the 6th January, 1921, contains the following:—

The Bethlehem Steel Company has announced a reduction of wages at the South Bethlehem plant of from 10 to 20 per cent., effective on the 16th January. The announcement was made following a joint meeting of the company officials and representatives of the workmen under the employees representation plan in effect at the plant. The reduction is similar to the one being made at the Lebanon plant. A 10 to 20 per cent. reduction is also announced for the Sparrow's Point plant, effective on the same date. The company employs from 5,000 to 6,000 men under normal conditions.

In Great Britain, we find considerable reductions have been made in the wages paid in the iron trade. The *Engineering and Industrial Management* of the 27th January, 1921, gives the information that

the Furness Miners' Union had agreed to accept a reduction in wages from £1 2s. 8d. to 19s. 7d. per day, and that the iron ore miners in Lancashire had agreed to accept a reduction in wages of about 3s. per day. The same publication in its issue of the 10th March, 1921, contained the announcement that the Cleveland ironstone miners had given notice that the 2s. advance per day granted in November, the war wage of 3s. per day, and the Sankey payment of 2s. per day shift would be terminated on the 31st March. The patent fuel export trade manufacturers applied in January for a reduction of 20 per cent. in wages, and the iron and steel employers of Sheffield gave notice in March that a reduction of 17½ per cent. was proposed for men working in rolling mills and forges. The motor waggon works at Sandbach were to be re-opened on condition that the men accepted a one-sixth wage reduction.

Sir ROBERT BEST.—There has also been a big reduction in the price of coal in Belgium and America.

Mr. WATKINS.—Yes. Where the whole of the requirements of a steel works are supplied, there has been a considerable reduction in the price of the fuel.

Mr. GREENE.—That is at Pittsburg.

Mr. WATKINS.—And in other places, I believe. With a view to keeping going an industry which now exists in Australia, I would suggest an increase on particular items of duty which would become equivalent to the handicap imposed upon the local manufacturers by competition from abroad. No country ever became a great nation that did not produce iron and steel as a key or base for other industries. If the industry for which I am speaking had not been established in Australia during the war, the Commonwealth would have paid for rails and other materials locally produced an extra £6,000,000, if we compare Australian prices with British prices, or an extra £4,000,000 if the comparison be with the prices in other parts of the world.

Mr. GREENE.—We would have paid considerably more, because the figures which the honorable member is quoting relate only to the output of the Broken Hill Company's works.

Mr. WATKINS.—That is so. I am speaking only of the industry in my own electorate. When the coal export trade

was dislocated, the iron and steel works at Newcastle and Lithgow saved the situation. They were able to not only manufacture rails for State Governments, and to produce iron and steel for other purposes, but they also sent rails to France to help the French and British Governments in the prosecution of the war. It was a fine thing for this country that works which had been brought into being at practically a moment's notice should develop so rapidly as to be able to, not only supply Australia, but to also contribute material help in the great struggle in Europe.

Mr. GREGORY.—I believe they also sent to England steel for munitions.

Mr. WATKINS.—They did. To-day we find war-worn countries making efforts to re-establish their iron and steel works. The people of Belgium are crying out for protection against the German steel that is being sent to England and re-exported to Belgium. The following cablegram, published in the *Iron Age* of 6th January, throws light on the position in France:—

#### FRENCH DUTIES RE-ESTABLISHED.

Washington, 4th January.

A cablegram from Commercial Attache W. C. Huntington, Paris, states that a French decree of 18th December, published in the *Journal Officiel* for 27th December, re-establishes with the corresponding coefficient the import duty on rails, fishplates, bridges, and parts thereof, which was suspended by decree of 30th November, 1914, and 3rd March, 1915, in cases where such materials were required for repairs on railways, &c., necessary for national defence. The duty on heavy structural iron and steel is 12 francs per 100 kilos., with a coefficient of 3, which makes the duty now in force 36 francs per 100 kilos., or 3 dollars 15 cents per 100 lbs.—£14 2s. 6d. conversion on standard value of France.

Both Belgium and France are trying, by heavy imposts, to re-establish their works for the production of iron and steel; and the Australian duties in relation to this basic industry are little more than revenue duties in comparison with the Tariffs in other parts of the world.

Mr. GREGORY.—Nearly all these things are admitted free to the United States.

Mr. WATKINS.—Some of the smaller lines may be.

Mr. GREENE.—They may be admitted free to-day, but they will not be when in-

dustries for their manufacture are established.

Mr. WATKINS.—Quite recently we read that England is paying attention to these basic industries by imposing, in some instances, duties of from 70 to 80 per cent. For many years this Parliament discussed how the iron and steel industry could be established in Australia, and ultimately it was established; and we are in the fortunate position of knowing that our iron and steel works, although young, are making good progress and developing on a firm basis. The iron and steel works in my own electorate employ directly about 6,000 people; and it is hard to estimate the number of people who are indirectly dependent upon them.

Mr. GREGORY.—The total of 6,000 could be multiplied by three or four.

Mr. WATKINS.—Take into consideration also the subsidiary industries that are collecting around the mother industries for the utilization of the smaller sizes of steel. To-day, when all other nations are trying to rebuild their iron and steel industries, we should take steps to protect and foster ours until they are on a sound footing. I have shown the necessity for those industries, and how much they have already meant to the Commonwealth. Australia is an island continent, and if it were at any time cut off from the help of the Motherland, our people would be powerless to defend themselves if we were without steel works to produce the material for our armaments. A well-established iron and steel industry is the greatest essential to a country that desires to be self-contained in respect of defence requirements. We feel safer when we know that, in addition to having the finest men in the world, we are able to arm them within the Commonwealth. I do not intend to say anything further upon the first of these items, but on later items I shall move that the duties be increased by an average of 50 per cent. Even if that increase is made, the local products will not be on as good a commercial level as they were when the Tariff was first laid upon the table, because some of the old duties have been wiped out altogether, and in respect of other items the effective duties have been reduced by from 70 to 80 per cent.



Taking the first line as a guide, in which the Tariff rates are set down respectively at 20s., 30s., and 40s., I would like to see increases amounting respectively to 30s., 45s., and 60s.

**Mr. MATHEWS.**—Free Traders would take a fit.

**Mr. WATKINS.**—If they compared those rates with existing Tariffs in other parts of the world where huge steel and iron industries flourish, they would be impressed by the fact that my proposal is a relatively low one. And it is so, judged by the standard of the Tariffs which were imposed in order to establish works of magnitude in the countries indicated. In my electorate, more than £4,000,000 has been invested in the iron and steel works. There are at present about 6,000 men directly employed, to say nothing of those concerned in attendant industries which are being grouped around the iron and steel works, and which are producing independently and giving employment to large numbers. If the Tariff stands without the amendments which I desire, those Australian works which are just now becoming firmly established will have to carry on without adequate protection such as is being given to other Australian industries, both small and great. We must place the big parent industries upon a sound footing, so that they may withstand competition emanating from cheap-labour countries. I sincerely trust that the Minister will accede to my request. I want to see these industries, not merely firmly based, but flourishing. Unless we grant sufficient protection, we cannot expect that.

**Mr. GREGORY.**—What about giving a bounty, instead of making these increases in the Tariff? Everybody would pay his share then.

**Mr. WATKINS.**—The bounty may have been well enough in the early stages, when the industries could not produce enough to meet Australia's requirements; but when steel works have reached a stage at which they can turn out sufficient to supply Australia's requirements, the matter of a bounty goes by the board. If it could be shown that we had suffered by the operation of the Tariff as a means of protection to these industries in the past, if Australians had been penalized by Australian iron and steel producers behind the shelter of Protection, I would be

able to understand the desire to grant a bounty rather than increase the degree of protection. But the plea for a bounty rather than a high duty fails to attract when one considers the price of these products throughout the world. The establishment of these works in Australia, under the protection of the Tariff, instead of being detrimental to the public interest, has saved them in the aggregate, perhaps £10,000,000. I make use of that figure in the light of what Australians would have had to pay for their requirements had they imported them during the period under review. I ask the Minister to consider the danger confronting these new Australian industries, not only from such sources as America and Germany, but from India, where works are now being devoted, after a period of war-time activity, almost entirely to export trade. Australia is one of India's closest markets; and where will we be in competition with cheap Indian labour if we are not safeguarded? Australian manufacturers have proved that Australian steel is of the finest quality in the world. The industry is rapidly growing, and its interests—wrapped up as they are in those of Australia itself—demand our practical sympathy.

**Mr. CORSER** (Wide Bay) [5.48].—I have listened with interest and pleasure to the remarks of the honorable member, and I am quite in sympathy with his objects. I have visited the great steel works at Newcastle. They are a credit to the Commonwealth. They should receive every possible encouragement by way of adequate protection. At the same time, I call attention to the danger of imposing a heavy duty all round upon iron and steel productions. We must be careful not to place a practically prohibitive duty upon certain lines of manufacture which are not yet being turned out in Australia. I cite as an example steel plates and sheets, upon which, on and after the 1st January, 1922, there are proposed to be duties—I quote merely one size as an example—amounting to 65s., 82s. 6d., and 100s. per ton. A certain firm in my electorate was tendering some time ago for a contract involving the manufacture of fifty-five locomotives. The firm had to compete keenly both with Britain and America. There are various lines of steel and iron products which

cannot yet be made in Australia. If they have to be obtained from overseas, an exceedingly high duty upon them will naturally affect any tender such as that of the firm in question, we must protect the general machinery foundry. I wish to know if the Minister will consent to withhold the imposition of the duty if, after 1st January, 1922, certain lines are still not manufactured here.

Mr. GREENE.—It is a deferred duty, and power will be taken to extend the period if the manufacture of the products has not at that stage been undertaken. In fact, steps in that direction have already been taken. The intention is that if, by the time indicated, the manufacture of the products in question has not been undertaken here, a further extension will be given.

Mr. CORSER.—That is satisfactory.

Mr. MATHEWS (Melbourne Ports) [5.52].—It is our desire to see Australia become, as far as possible, self-sustaining. In order to bring that about, our infant iron and steel industry must be much more practically encouraged than in the past. Our trouble hitherto has been mainly that we have not been able to furnish from within Australia the essential raw products, or, at any rate, in requisite quantities. That difficulty, however, is now being obviated. The honorable member for Dampier (Mr. Gregory) interjected some minutes ago that instead of considerably increasing duties, it would be wiser to revert to the bonus system, under which the whole of the Australian people would give their share of financial assistance. The bonus system justified itself only so long as Australia could not furnish the Australian industry with the necessary raw product. If our industries are to flourish and become great, and supply the whole of the Australian demand, we must be able to furnish the raw material from within. There is one difficulty which has arisen, however, in connexion with providing the raw product for the iron and steel industry. To-day there are only two large interests supplying iron, namely, the Broken Hill Proprietary Company, and Hoskins Limited. Complaints have been made by smaller men which, unhappily, are justified. The iron and steel manufacturers may say that they are not in a position to

supply smaller manufacturers with their product, and the smaller men, whose operations are interfered with, have then to compete unfairly with those who are receiving supplies.

Mr. GREGORY.—I have heard of factories which could not obtain supplies.

Mr. MATHEWS.—Possibly so; and various reasons have been submitted. It was said on one occasion that the nasty workers went on strike, and that those engaged in the collieries would not handle coal. Personally, I hope that those who are inadequately paid will continue striking until their conditions are improved.

Mr. FOLEY.—Is that why the honorable member would like to see an additional duty imposed?

Mr. MATHEWS.—I think it would be better if the honorable member submitted such a conundrum to the Chinese.

Mr. GREGORY.—The Broken Hill Proprietary Company may acquire an interest in some of the larger factories in New South Wales, and then decline to supply factories in other States.

Mr. MATHEWS.—That may be so; but such a charge could also be laid against other companies. That is one of the damnable situations which arise under our present economic system. We also know that the importers supply only certain people, and I am merely submitting arguments against the imposition of higher duties. I am hoping that the increase suggested by the honorable member for Newcastle (Mr. Watkins), if adopted, will be the means of inducing other manufacturers to come to Australia. Even if they do, there is the risk of an "honorable understanding" being entered into with other capitalistic institutions; but I am hoping that the measure which the Minister for Trade and Customs (Mr. Greene) has promised to bring before this Parliament will be the means of preventing commercial combines from operating to the detriment of the consumers. This practice is not common to the iron trade alone, because it was said that, if the spinning mills in Australia would not supply certain small manufacturers with the necessary yarn, they would have to pay a higher price for imported yarn, and would thus be placed in a very unfair position. Of course, the spinning mill proprietors said that



they could not help it, as they had certain contracts to complete; but nevertheless the smaller men were penalized. We have experienced similar difficulties in many other directions. When we were discussing the last Tariff, and the duty on rope and jute was under consideration, the smaller manufacturers said that if we placed a duty on yarn Australian manufacturers would not be able to compete in the open market. I was in favour of encouraging the manufacture of yarn in Australia, and therefore had to insist on the imposition of a higher duty. We have to depend largely upon the actions of the firms. We know that capitalism has no soul; but if the capitalists do not look after their own interests, no one else will. I am prepared to tell the manufacturers of Australia that they are foolish if they do not assist in establishing industries for the manufacture of our raw products; but if these industries combine to the detriment of others this Parliament must have the opportunity of taking them over, not at their own price, but at a price acceptable to the Government. If I happen to be on the side that dominates the political situation when such action is taken, these gentlemen will get very short shrift from me, because if we are not prepared to control their operations we will be in a very bad position.

Mr. STEWART.—The honorable member does not expect this Government to act in the manner he suggests.

Mr. MATHEWS.—No; and any other Government who had the support of the Country party would not, I am afraid, do as I wish. We have to accept the inevitable whether we like it or not, and manufacture the raw products in Australia. There is a great demand for the articles mentioned in sub-item B, which the manufacturers say that they cannot obtain. The district which I represent does not produce the raw material, but there are several large iron and steel manufacturing firms within its boundaries; if they cannot obtain imported iron and steel—and I am trying to prevent them—they must procure it from the Broken Hill Proprietary Company's steel works, or Hoskins Limited. These firms must not prevent the smaller manufacturers from getting what they require,

and if they do they are seriously injuring important industries and retarding progress. I cannot prove that such is the case, but the matter has been brought under my notice.

Mr. JAMES PAGE.—Are they preventing any one now?

Mr. MATHEWS.—A month or six weeks ago there was difficulty in obtaining supplies, but I do not know whether the position is acute at present.

Mr. GREENE.—I think the difficulty arose from the fact that there was a strike and work was held up.

Mr. MATHEWS.—The answer of the producer usually is that operations have been interfered with in consequence of a strike.

Mr. GREGORY.—But they were supplying others.

Mr. MATHEWS.—If the men were striking for better conditions, I am not going to complain, because I think they were justified in doing so; and I am prepared to take my share of the blame, because I believe in men striking.

Mr. JAMES PAGE.—It is not many years since that was their only weapon.

Mr. MATHEWS.—And in a good many cases it still is. I trust that the workmen will keep that portion of their machinery well oiled.

Mr. WATT.—They cannot have it both ways.

Mr. MATHEWS.—The employer has it both ways when he can.

Mr. STEWART.—While the employer has the right to lock-out, the employee should have the right to strike.

Mr. MATHEWS.—Exactly.

The TEMPORARY CHAIRMAN (Mr. Atkinson).—Order!

Mr. MATHEWS.—I know that opponents of Protection would endeavour to handle this question in such a way as to prove that we should not impose higher duties. I am warning honorable members not to play into the hands of the Free Traders, and I trust that our manufacturers will sell their product direct to the consumers, and not through middlemen. I shall assist the honorable member for Newcastle in the amendment he has suggested, and trust that some provision will be made by the Government whereby combines who endeavour to restrain trade can be effectively dealt with.

**Mr. MARR** (Parkes) [6.5].—I have had an opportunity of closely investigating the Australian iron industry, and recently visited the works of the Broken Hill Proprietary Company, and Hoskins Limited. My last visit was made about two months ago, and it is possible that conditions may have altered somewhat since then, but at that particular time, the Broken Hill Proprietary Company and Hoskins Limited were quite satisfied with the duties now before the Committee.

**Mr. CHARLTON**.—But the bottom has fallen out of things on the other side of the world since then.

**Mr. MARR**.—That may be so. The manager of the Broken Hill steel works said that at Iron Knob they have the richest iron ore deposits in the world, and they could produce from their deposit in South Australia 1 ton of pig iron for every ton of coke used. He also informed me that the next cheapest producer in the world was Pittsburg, where it took 25 cwt. of coke to produce 1 ton of pig iron, thus showing that Australia had a preference of 25 per cent. over America. I am quite prepared to give the Broken Hill Proprietary Company and Hoskins Limited fair and proper protection provided that the public of Australia are also protected. If I thought for a moment that the Broken Hill Proprietary Company, in competition with other manufacturers, would be penalized, I would support a higher duty, but I have not heard an argument put forward that would suggest that an increase should be made. In giving protection to our Australian industries, we have to be careful not to create Combines, which would be dominated by a few commercial men, and which would eventually be a curse to Australia. We have only to visit the site of the steel works at Newcastle to find that the adjacent ground is divided into blocks which they are prepared to lease to other firms for the establishment of secondary industries. At the present time the Austral Nail Works, Wire Netting Works, and Lysaght's Galvanized Iron plant are established there. The Austral Nail Works cannot sell a pound of nails without the consent of the Broken Hill Proprietary Company. The position seemed so unusual that I perused the records in the Arbitration Court, and found in the evidence of the manager of the firm

that such was the case. I shall never support increased duties if they are to be the means of creating monopolies.

**Mr. FENTON**.—The honorable member, I suppose, is in favour of receiving supplies from Essen.

**Mr. MARR**.—I am quite as good an Australian as the honorable member for Maribyrnong (Mr. Fenton), and am merely bringing this matter forward in an endeavour to safeguard the people.

**Mr. WATKINS**.—The Broken Hill steel works have nothing to do with nails; no nails have been produced there.

**Mr. MARR**.—I say that sworn evidence to that effect is on the records of the Arbitration Court in New South Wales. The manager of the company said that the Austral Nail people could not sell a pound of nails without the consent of the Broken Hill Company. If arguments are advanced to show that it is necessary to give this protection to help Australian industries, I am prepared to support it, but I will not support an Australian monopoly. If the Broken Hill Company and Hoskins are prepared to consider the interests of every firm in the iron manufacturing industry throughout Australia, and supply to each the raw material it requires in open competition, I shall be prepared to protect the producers of the raw material. There are, however, industries started in the neighbourhood of the works of the Broken Hill Company who, having their own railways and rolling stock, can run the raw material out of their yards into the yards of these companies, whilst other firms manufacturing iron in other parts of Australia have the cost of the raw material they use loaded with a high cost for freight.

**Mr. JAMES PAGE**.—The honorable member does not want the Broken Hill Company to deliver their goods free all over the Commonwealth?

**Mr. MARR**.—I do not; but I want them to give other firms throughout Australia the same consideration that they give the subsidiary firms established near their works.

**Mr. WATKINS**.—I am assured that there is no difference made in the treatment of different firms.

**Mr. MARR**.—Will the Broken Hill Company give that assurance?

**Mr. WATKINS**.—Yes.



**Mr. MARR.**—I am told that they will not. If they will give that assurance, I shall be prepared to support them. I want an assurance that they will not sell the raw material to subsidiary industries in Newcastle at a lower rate than they charge to firms in the business of manufacturing iron in other parts of the Commonwealth.

**Sir ROBERT BEST.**—Who was it made the statement that the Austral Nail Company could not sell a pound of nails without the consent of the Broken Hill Company?

**Mr. MARR.**—Mr. McDougall.

**Sir ROBERT BEST.**—I can tell my honorable friend that he is absolutely wrong.

**Mr. MARR.**—Then I can only ask for the production of the records of the New South Wales Arbitration Court.

**Sir ROBERT BEST.**—The honorable member is wrong in the statement that he makes, and it is well that that should be known.

**Mr. MARR.**—I can produce the record of the statement. I repeat my statement, that if the Broken Hill Company will give an assurance that they will not sell their raw material at a lower rate to the subsidiary industries in Newcastle than to firms engaged in the same business elsewhere in Australia, I shall be prepared to support protection for their industry.

**Mr. JAMES PAGE.**—How can they give that assurance? If a man goes to a shop to buy goods, he gets them cheaper than he does if they have to be delivered to him.

**Mr. MARR.**—I am not asking for free delivery to various firms, but that the Broken Hill Company shall sell their products to all firms at the same price at their works. There is a man carrying on business in the manufacture of nails in a small way at Waterloo, in the South Sydney electorate, and I ask whether it is fair that, because he requires only a few tons of rod iron, the Broken Hill people should charge him from £3 to £4 per ton more than they charge a firm using 10,000 tons per year?

**Mr. GREENE.**—A reasonable discount for a large order is not unfair.

**Mr. MARR.**—I ask honorable members whether they do not think that a firm prepared to make a contract with the Broken

Hill Company for 54,000 tons, spread over three years, is entitled to some consideration?

**Mr. RICHARD FOSTER.**—Yes.

**Mr. MARR.**—I say that a subsidiary industry established in Newcastle can buy raw material from the Broken Hill Company at a lower rate than the company is prepared to quote for a big firm that will take 54,000 tons in three years. That appears to me to indicate that the Broken Hill Company is a monopoly.

**Mr. RICHARD FOSTER.**—That should be investigated.

**Mr. MARR.**—I am asking that it should be investigated. I have been asking that for the last couple of months. I am prepared, in order to establish industries in Australia, to support the Broken Hill Company, Hoskins, and other manufacturers of iron, but I am not going to support any industry that is a monopoly.

**Mr. CHARLTON (Hunter)** [6.20].—Honorable members have just listened to a speech in which the honorable member for Parkes (Mr. Marr) claimed to be a Protectionist, and then said that he was not going to support these industries unless certain things are done as he desires. Although the honorable member claims to be desirous of making Australia self-contained, his speech would appear to have one object only, and that is to destroy all prospect of the successful carrying on of steel and iron works. If the statements which the honorable member has made were correct, the Committee would not be justified in voting for increased protection for these industries. It is because I believe they are not correct that I have risen to speak. I have the assurance now from Mr. McDougall, the gentleman named by the honorable member, and the manager of the particular works to which he referred, that there is not one atom of truth in the statement that has been attributed to him.

**Mr. RICHARD FOSTER.**—Then it is a good job that the honorable member for Parkes (Mr. Marr) made the statement.

**Mr. CHARLTON.**—To show how misinformed the honorable member for Parkes is, Mr. McDougall assures me that he has never been in the Arbitration Court in his life.

Mr. MARR.—He made the statement to which I have referred.

Mr. CHARLTON. — It is wrong to put such a statement before the Committee. It might mean life or death to this industry.

Mr. MARR.—Could we postpone the consideration of the item until I can supply the record?

Mr. CHARLTON.—If I believed the honorable member's statement to be correct, I could not conscientiously vote for any increase of this duty. The Newcastle works of the Broken Hill Company have been established now for a few years. I say that they were of immense value to this country during the war. I do not know what we should have done in Australia had it not been for this particular company. When the honorable member for Parkes talks of objecting to a monopoly, let me remind him that he is no more opposed to monopolies than I am. But I am not coming here to play the hypocrite, and I say that even if the Broken Hill Company were a monopoly we should not permit monopolies established outside of Australia, and carrying on their business with cheap labour to send their goods here to the detriment of the people for whom we have to find employment. The question is whether the recent war has taught the people of Australia and members of this Parliament that this country must be self-contained. If it has taught us that lesson, then we must discuss this Tariff with a view to establishing Australian industries. The speech of the honorable member for Parkes leads me to the conclusion that he does not understand the position. The Minister for Trade and Customs has stated on more than one occasion that if this Tariff is passed it is his intention to create a Board, and if he finds through the investigations of that Board that any monopoly has been created for the purpose of exploiting the people, he will bring the matter before this Parliament and have the monopoly dealt with through the Tariff.

Mr. MARR.—I am prepared to support that.

Mr. CHARLTON.—Then I claim that the honorable member should support the increased duty proposed in this case.

Mr. STEWART.—The Minister has taken very fine care to give the Committee no inkling whatever of what will be contained in the Bill he proposes to introduce. He asks us to swallow the Tariff first.

Mr. CHARLTON.—The Minister has given us some particulars, but the honorable member surely does not expect to be supplied with the whole of the details of the measure before it is submitted to us.

Mr. GREGORY.—It should have been introduced before now.

Mr. CHARLTON.—When it is submitted to us we shall be able to discuss it, and to make it as effective as possible.

Mr. BELL.—Does the honorable member think such a measure will be effective?

Mr. CHARLTON.—I do not know why it should not be effective. The honorable member, no doubt, has in mind our constitutional limitations.

Mr. BELL.—No.

Mr. CHARLTON.—As the Minister (Mr. Greene) has said, the Constitution gives us full power to deal with Customs; and if those whom we protect do not act fairly by the people, we shall be able, by the exercise of our Customs power, to put them in their proper place. That being so, we have only to consider whether or not the duty is adequate. The honorable member for Newcastle (Mr. Watkins) has stated that it is wholly inadequate. It might have been sufficient for the purpose when this Tariff schedule was submitted twelve months ago, but since then there have been many changes in Australian conditions. Amongst other things, owing to the increased cost of living, wages have been increased. Then, again, freights have gone up, and the price of coal has increased. All these matters have to be taken into account by us in determining whether or not the duty is adequate. We know also that throughout Europe the workers, in many instances, have been obliged recently to take reduced wages, in order that the industries in which they are engaged may carry on. During the war the workers in other countries received much higher wages than they had previously enjoyed, and we were in a better position, therefore, to compete with imports from overseas. Circumstances, however, have changed, and labour abroad being now



much cheaper than it was two or three years ago, we could not fairly expect a duty imposed twelve months ago to be effective to-day. We have, therefore, either to increase the duty in this case or to allow cheap-labour imports to come in, to the detriment of our own people. The outlook is not too good, and it is essential to establish our industries on a firm basis, in order that employment may be found for our own people, as well as for those who are now being induced to come to Australia. It is true, as the Acting Prime Minister (Sir Joseph Cook) said this afternoon, that Australia is managing as well, perhaps, as most other countries; but what is happening in other countries must be reflected here if we permit the free introduction of goods made under conditions that we would not tolerate. Already we hear of thousands of unemployed, but if we do not protect our own industries from the cheap labour of other countries, we shall have tens of thousands out of work.

Mr. STEWART.—The primary producer has to compete with the cheap-labour products of other countries.

Mr. CHARLTON.—The primary producer has been doing fairly well of late.

Mr. HILL.—I am very sorry to hear the honorable member make that statement.

Mr. CHARLTON.—During the last year or two our primary producers have done much better than before. Will the honorable member say that the position of the wheat-growers has not been improved during the past two years?

Mr. STEWART.—So far as wheat is concerned, we have done better.

Mr. CHARLTON.—Only because of the assistance which the Government have given the wheat-growers in getting their produce to market. Prior to the war, from 3s. 9d. to 4s. 3d. a bushel for wheat was considered a good price.

Mr. BELL.—I deny that.

Mr. CHARLTON. — Mr. Lynch, ex-member for Werriwa, who has been engaged in farming for many years, said again and again in this House that from 3s. 9d. to 4s. 3d. a bushel was considered to be a good price before the war. Honorable members of the Country party will not say that it is not in the best interests of this country to establish the iron and steel industry here.

Mr. STEWART.—Not at all.

Mr. CHARLTON.—Nor will the honorable member say that the subsidiary industries should not also be encouraged. The steel industry gives direct employment to thousands of workmen, and indirectly finds employment for thousands of others. If we can firmly establish that industry by means of a Tariff that will keep out cheap imports from Belgium and elsewhere, should we not do so?

Mr. WATKINS. — And so increase the local markets for our primary products.

Mr. CHARLTON.—Exactly.

Mr. STEWART. — But if the primary producer can only obtain black labour rates for his produce in Australia, of what advantage will that be to him?

Mr. CHARLTON.—The primary producer in some respects, at all events, has of late had a fair chance. If he is not getting reasonable prices for some of his products, the fault must rest with the middlemen, because the consumer is undoubtedly paying good rates. The sooner the Country party work for the handling of our primary products on co-operative lines the better. The honorable member for Wimmera (Mr. Stewart) will admit that we ought to encourage our own industries.

Mr. STEWART.—Every industry has a right to be encouraged, but not at the expense of other industries.

Mr. CHARLTON. — The increased duty proposed in this case will not benefit the iron and steel industry at the expense of other industries here.

*Sitting suspended from 6.30 to 8 p.m.*

Mr. CHARLTON.—I was pointing out to honorable members of the Country party and their constituents the effects of the establishment of a Protective policy which would encourage our industries to such an extent as to find employment for our people, and markets for the product of those on the land. I do not think that any one will endeavour to controvert the position I seek to establish. 'Our future prosperity must depend on our capacity to find employment for our people; and, in view of the necessity for a greater population, we must establish such industries as that of iron and steel. It has been argued that, so far as the iron and steel industry is concerned, it represents something in the nature of a combine.

If that be so, the Minister now, for the first time, proposes to provide a tribunal for dealing with any attempt of the kind made under the Tariff, and supposed to be detrimental to the welfare of the community. At the present time, however, the iron and steel industry is not confined to any one company; we have the Broken Hill Proprietary, and Hoskins Brothers, while we are given to understand that in Queensland, also, it is proposed to establish iron works.

Mr. GREENE.—Hoskins Brothers are going to Port Kembla.

Mr. CHARLTON.—That is so. We have, therefore, three distinct companies in this line of business, and it would appear that there will be sufficient competition to see justice done to those who require the articles produced by the companies.

The honorable member for Parkes (Mr. Marr) has told us that the Broken Hill Proprietary has refused to sell its products on an equal footing to different purchasers. In order to dissipate any idea of the kind, I quote the following letter—which has just been handed to me—from the secretary of the Broken Hill Proprietary to the Minister for Trade and Customs:—

In reply to the statement made in the House of Representatives this afternoon by the honorable member for Parkes to the effect that discrimination and preference to customers in respect of supply and delivery were practised by the Broken Hill Proprietary Company Limited, I desire to state emphatically that neither charge can be sustained against my company.

There we have an emphatic denial.

Mr. MARR.—I shall show otherwise.

Mr. CHARLTON.—Of course, the honorable member has a perfect right to substantiate what he has said. However, there is no industry in the Commonwealth of greater importance than the iron and steel industry. It is good for us that the industry was under way when the war broke out; otherwise I do not know what would have happened to Australia.

Mr. CONSIDINE.—What about the bogus ammunition factory at Broken Hill?

Mr. CHARLTON.—Whatever objection honorable members may have to this or any other company, we cannot deny that this industry was of great value to Australia during the trying period of the war. We were then taught the lesson

that if Australia had to be anything, it must be self-contained.

The only question that remains is whether the duty proposed in the schedule is sufficient. This duty was imposed twelve months ago, and honorable members who trace events during that time must conclude that what might be adequate then is inadequate to-day.

Mr. McWILLIAMS.—What duty do you desire?

Mr. CHARLTON.—We ask that the duty be increased by about 50 per cent.

Mr. GREENE.—Not 50 per cent. ad valorem?

Mr. CHARLTON.—No. Honorable members may laugh at my proposal, but what it means is an increase from 20s. to 30s. in the British preference column, 30s. to 45s. in the intermediate column, and 40s. to 60s. in the general column. I venture to say that these are not such big increases as to justify any laughter, when we consider what has happened since the Tariff was originally imposed. For instance, relying on my memory, I may ask what has been the increase in the price of coal, which is used to such a large extent in this industry?

Mr. HILL.—What are the increases on the other side?

Mr. CHARLTON.—I shall come to the "other side" if the honorable member will wait. There has been a very substantial increase in the price of coal, and, in addition, the workers employed by this particular company, and, indeed, in all other industries, have received increases in wages, though those increases have never overtaken the cost of living. However, in the iron and steel industry the increases in wages have been pretty heavy, and then we have to consider the increase in freights, harbor dues, and so forth.

Mr. CONSIDINE.—Did I not hear the honorable member, a little while back, tell us that coal is produced more cheaply in Australia than anywhere else?

Mr. CHARLTON.—Yes, and I say so now. The honorable member for Echuca (Mr. Hill) has asked, "What are the increases on the other side?" I can only inform him that, with the exception of Great Britain, where, unfortunately, there is great trouble to-day, every country has seen a decrease in the price of



coal, and at the present time coal is being imported from France, America, and elsewhere to other parts of Europe. In Europe, therefore, there is no dearth of coal, and that is one fact which operates in favour of those who manufacture iron and steel on the Continent. Then, again, I am sorry to say that in Europe wages are falling every day, the workmen being compelled to accept reductions.

Mr. CONSIDINE.—And some people are doing their damndest to make the workmen here accept reductions.

Mr. CHARLTON.—My object is to try and keep wages up.

Mr. HILL.—Are you not trying to keep prices up?

Mr. CHARLTON.—So long as only reasonable profits are made, it is good for employers and employees to have prices kept up. At the present time, wages are decreasing week after week, and this has given rise to the disastrous strike in the Old Country. In Belgium, both wages and the price of coal have fallen, and it is possible there to produce more cheaply than we can here. That state of things is likely to continue, and, if so, how can any objection to an increase in this duty be justified? We meet here as men desirous of making Australia self-contained; and if we do not achieve our object the results will be disastrous. The price paid here may be a little higher than in Belgium, but does any one say that we, with our better conditions and higher standard of living, ought to be able to manufacture here at the same cost as in Belgium? We must remember that freights are not half what they were twelve months ago.

Mr. McWILLIAMS.—And a good job, too.

Mr. CHARLTON.—I am not saying it is not "a good job," but if freights are falling now they were previously too high.

Mr. McWILLIAMS.—They are still higher than they were before the war.

Mr. CHARLTON.—That is so, but they have decreased by half in the last twelve months. This duty was imposed twelve months ago, when freights were high, and the conditions of labour abroad were better; and it is now for us to say whether or not, under the altered condi-

tions, the duty should be increased. There is not one interjection from the other side to indicate that what I say is not correct.

Mr. GREGORY.—That is not so. I say the Tariff was not justified on account of the high war prices.

Mr. CHARLTON.—No one has taken up that position previously. The honorable member now says that there was no justification for putting on the Tariff.

Mr. GREGORY.—I do not say that; what I say is that the abnormal prices of fifteen months ago did not justify the Tariff.

Mr. CHARLTON.—I do not agree with the honorable member, because, in my opinion, the Tariff was justified. Without the Tariff, this industry would not have been established in Australia.

Mr. GREGORY.—That is not correct.

Mr. CHARLTON.—I say that the Tariff keeps the industry going.

Mr. GREGORY.—You say that the industry would not have been started but for the Tariff.

Mr. CHARLTON.—It might have been started, but the war conditions helped it—the matter is doubtful. However, we have to face the position as it is. If the conditions have altered so materially abroad, and if we wish to preserve our rates of wages and present standard of living, we must impose such a Tariff as will exclude the foreign manufactured article; and I speak now as one who has gone through the mill. I have denounced the exploitation of people by means of excessive prices, but I realize that we must keep prices up to a reasonable level in order to insure to our people a proper standard of living here. We cannot compare our conditions here with those that prevail in foreign countries.

Mr. CONSIDINE.—After the Protection you desire is provided, what guarantee have you that the present wages will remain in force?

Mr. CHARLTON.—We have no guarantee, but we have tribunals to deal with questions of wages; and prices play a prominent part in the adjustment of wages. What guarantee has the honorable member or myself that our industries

will continue if we allow them to so languish as to create thousands of unemployed and low wages for those who have work?

Mr. CONSIDINE.—We shall have thousands of unemployed, Tariff or no Tariff.

Mr. CHARLTON.—Unfortunately, we have unemployed to-day, and that is a reason why we should find means of employment. Is the unemployment here a justification for our permitting foreign countries to send us products which we should provide ourselves?

Mr. CONSIDINE.—The carrying on of our industries depends on the European situation, and not on the Tariff.

Mr. CHARLTON.—I cannot agree with the honorable member; whatever objections the honorable member may have to the present economic system or conditions, we must, while it prevails, endeavour to do the best we can for the people of Australia. For that reason, I hope the Committee will agree to the proposed increased duty.

Mr. GREGORY (Dampier) [8.15].—I think everybody in this Parliament, or anywhere else in Australia, is quite satisfied that an industry such as that which has been established at Newcastle by the Broken Hill Proprietary Company is essential to the future welfare of the country; and if it could be shown that it needed any special protection, I am sure that Parliament would be quite unanimous in giving it whatever assistance it required. But has it been shown by any speaker here to-night that the industry has been languishing at any period since it was established, or that the company has not been able to produce successfully against any competition that might be brought to bear against it?

Mr. HECTOR LAMOND.—They have had to put hands off recently.

Mr. GREGORY.—Why?

Mr. HECTOR LAMOND.—Because of the competition.

Mr. GREGORY.—I cannot believe that, with the present high prices, there can be anything in the nature of severe opposition at the present moment to an industry such as this. I am satisfied, and the sooner the Committee realizes it the better, that this country has only a certain productive value, and we must make the conditions in Australia such that we are able to compete with other countries.

Mr. FENTON.—You are a foreign country party, all right.

Mr. GREGORY.—I always hear that cry from a certain section who would buy their own goods from the Chinese. I find that the men who make all these protestations are the crowd who generally go to the Chinaman's shop to buy their groceries. I have made it clear ever since the Tariff debate started that I am very little concerned about the duties as they affect outside countries other than Great Britain. I should have liked to include Canada, New Zealand, and South Africa in the treatment accorded to Great Britain. I have done all I possibly could to show how desirous I am of encouraging trade with the British Empire—that is, so far as we could do so with fair consideration to ourselves. In what I have said, I have always wanted the Committee to realize the value of the natural protection which Australia enjoys in regard to the importation of goods from outside. I do not intend to press that point so far as iron and steel are concerned, but when we are dealing with agricultural machinery and bulky articles of that sort, the question of natural protection is a very big one.

It is wise for the Government to encourage an industry such as we are now considering. The only question is what nature that encouragement should partake of, and to what extent it is necessary. Nobody has shown that the Broken Hill works at Newcastle are languishing, or that they have not been carried on at very great profit.

Mr. RYAN.—Does the honorable member suggest that we must wait until an industry is languishing before we take action? Would that not be rather late?

Mr. GREGORY.—No. If the honorable member will permit me, I shall show shortly, by reference to other countries, and particularly to Canada, what I mean. The Broken Hill Company has built up this industry on first-class lines. It has as fine a plant as there is in the world. I have read its book, *From Silver to Steel*, and a good many of its reports. Unfortunately I have not been able to visit Newcastle to see its works there, but I believe I am correct in saying that it has one of the finest plants in the world. Assuming, however, that we had a second



or third-rate plant in Australia, turning out iron or steel, would honorable members be justified in saying that, because the industry was languishing, and those running it could not make it pay, high duties should be imposed on the goods it was turning out, simply because it did not possess an up-to-date plant? That is where the trouble lies. We are asked, because up-to-date appliances are not used, and because a factory does not avail itself of all the latest inventions—

Mr. HECTOR LAMOND.—You cannot say that in this case.

Mr. GREGORY.—I could have said it so far as some of our industries are concerned.

Mr. CONSIDINE.—Obsolete methods of production are not confined to secondary industries, they apply to agriculture as well.

Mr. GREGORY.—That is so, and the more difficult we make it for the farmer to get his machinery in, the harder it is for him to use up-to-date methods. If Parliament were to say, "You must get everything you want in Australia; you must not use the inventions that are being made all over the world," the difficulties of the farmer would be intensified. Quite a number of industrial concerns, realizing the competition they are meeting from other countries, are seriously considering this phase of the question. Only the other night I read a paragraph in the *Herald* about the Barrow Hematite Steel Company, in England, which, by installing a new blast furnace, had effected a saving in coke, wages, and other charges which worked out at the rate of £60,000 a year compared with the expenditure on the furnace that it replaced. It is absolutely essential to consider that question in this case, for the very special reason that we are dealing now with one of the great key industries of Australia. By every fraction by which we increase the cost of iron or steel, we are penalizing every other industry in the Commonwealth. If we make steel dearer in Australia, we must surely make dearer every implement that is required in the mine or on the farm.

Mr. CONSIDINE.—That argument applies to every primary product.

Mr. GREGORY.—It applies more particularly to a key industry such as this. Therefore, until we are satisfied that it

cannot be carried on successfully without a duty, we should hesitate before imposing one. Surely some argument should be brought forward to show that without this duty the industry cannot be carried on. The Broken Hill Company has, I believe, one of the most up-to-date plants in the world. Its works are situated right on the seaboard, and it ought, therefore, to be able to get its products in and out as cheaply as any other part of the world, including America, Canada, and Great Britain.

Mr. CONSIDINE.—Is not the productive capacity of that plant out of all proportion to the consumption capacity of the country?

Mr. GREGORY.—I do not think it is, although I have not gone into that phase of the question. If it is, we shall have to build up an export trade, and I believe it is quite possible for the company to be able to do so. At any rate, the honorable member should realize that we cannot build up population in Australia by dragging all the people from the country into the cities. The company ought to be getting coal as cheaply as in almost any country in the world. Our coal miners and coal mine-owners should be able to produce at a figure which compares favorably with coal production anywhere else. They ought to be able to compare more than favorably with the coal miner of England, and certainly ought to be able to compare with the coal miner of America. If we are not doing so already, and I do not say that is the case, it is probably due to the use of out-of-date methods. A paper which I have here, dealing with the coal industry, shows a remarkable difference in the production of coal in America and in England.

Mr. CHARLTON.—The honorable member cannot go by those comparisons, because in one case you have a very high seam, and in the other case a low seam, and a man can get out three times more in one place than he can in the other.

Mr. GREGORY.—I quite admit that, in the majority of the mines in America, you probably get a bigger seam than in Great Britain. I am quoting from *Dun's International Review*—a paper of world-wide reputation. It states:—

Wages in the United States of America have always been at least twice those of other coal-producing countries, and this has proved a

difficult barrier to overcome in the struggle for markets.

Mr. HECTOR LAMOND.—I doubt the accuracy of that statement, if it means that American wages in the coal industry are twice those paid in Australia.

Mr. GREGORY.—There may be a slight exaggeration there; but it is quite probable that the writer was not considering Australian conditions at all. The fact remains that, right through the war, wages in the United States of America were considerably higher than those paid in Australia.

Mr. CONSIDINE.—And the working hours were longer.

Mr. GREGORY.—Hour for hour, the wages were considerably higher in America than here. The *Review* states that, according to the official British figures, in 1916 the average South Wales miner cut 222 tons of bituminous coal and 207 tons of anthracite coal, as against 891 tons of bituminous coal and 548 tons of anthracite coal cut by the average American miner.

Mr. MATHEWS.—They had the men working in stockades in America, and would not let the union delegates enter.

Mr. GREGORY.—The American workman is probably a great deal more independent than the workmen of other countries, and does not allow outsiders to determine his conditions, as, for instance, at Mount Lyell and Mount Morgan recently. The point I am making is that we must introduce the most up-to-date methods. I understand that coal can be obtained at Newcastle to-day at £1 1s. 9d. per ton. In England, according to the latest returns, coal costs £2 12s. a ton. That was the price just prior to the strike. It takes 3 tons of coal to manufacture a ton of steel, and I question whether coal was obtainable in Great Britain prior to the strike for twice the price at which it can be got here. Then the Broken Hill Company has at Iron Knob, in South Australia, a practically inexhaustible supply of iron ore, assaying from 66 to 68 per cent. of iron fairly free from sulphur, and without phosphorus, whereas in Great Britain the average percentage of iron obtainable is from 30 to 36, and about the same in Germany, and in the United States of America it is not more than 38. Therefore, a ton of iron ore from Iron Knob will yield nearly

twice as much pig iron as can be obtained from the iron ore mined in the countries from which we get our chief supplies of iron and steel. In Australia, we have cheap coal and rich iron ore.

Mr. MATHEWS.—And cheap labour.

Mr. GREGORY.—I do not know that. What we should require of labour here is that its output should be equivalent to that of other countries. With the advantages I have named, we should be able to produce iron and steel as cheaply as, and even more cheaply, than other countries can do so. It is idle to say that, in the Old Country, wages have been cut down below what are paid here. In March of last year, according to the *Daily Chronicle*, the rates of wages in the iron industry of England were from 20 to 25 per cent. higher than the rates paid in Australia. Wages have not increased here to the extent that might have been anticipated, more particularly when the high prices that the Broken Hill Company was getting for its output during the war are remembered. The company did good work during the war, and gave us supplies that we could not then obtain elsewhere, besides sending steel to the Old Country, which was highly commended. But the company was started before the war, without any expectation of the big protective duties now proposed. Are these duties justified? The big profits made during the war must have helped the company to build up reserves, and to increase plant, and thus a large industry has been created. But we have not yet got back to pre-war conditions, and prices are still exceedingly high.

I do not know whether the statement made to-night, that the company has been supplying one firm and not another, is correct; but with the help of the Prime Minister (Mr. Hughes) and Sir John Higgins some vile Combines have been started in this country. We know of the formation of the Zinc Producers Organization, which has compelled the Mount Lyell Company, the Broken Hill Company, and other companies, to hand over to it all their output for the next fifty years. A Copper Producers Association was also formed. In a circular which has been sent to members by Messrs. Lysaght, it is pointed out that £33 a ton has to be paid for local mined spelter, although the market price of spelter in England is only £24. For copper,



too, the local manufacturer has to pay 25 per cent. more than the price at which it can be bought in the markets of the world, although copper is produced in Australia. We must break down these Combines. In this city to-day, there are the makings of some very fine ones. Men are getting behind the scenes and securing control of our industries in a way that will become intolerable unless it is checked in time.

Prices have not come back to the pre-war level. I have here a list of maximum prices received prior to and during the war, and also at the present time. I obtained the list from a hardware merchant to-day, and I think I can guarantee its accuracy. In regard to bar and wrought iron, I find the pre-war price was £8 10s. per ton, that during the war it rose to £36 per ton, and to-day it is £28 per ton. In this line it will be seen we have not by any means got back to normal conditions, and, in addition, heavier freight, insurance, and exchange charges are all in favour of the local manufacturer. Fencing wire before the war was £7 10s. per ton wholesale. During the war it rose to £42 per ton, and to-day it is £23 per ton. How on earth are our people going to develop the outback country if they have to pay such high prices for these necessary articles upon which very heavy duties are now being levied? My list contains particulars of other articles, all going to show that present prices are, on the average, 100 per cent. above pre-war rates. We should follow the Canadian practice. Canada is right alongside a great manufacturing country like the United States of America, which has a big free list. Item 613 of the United States of America Tariff, steel ingots, cogged ingots, blooms, and slabs, die-blocks or blanks, and billets, made by the Bessemer Siemens-Martin open hearth or similar processes, is on the free list.

Mr. GREENE.—Will the honorable member quote the United States of America duty when that industry was established?

Sir ROBERT BEST.—It was 75 per cent. then.

Mr. GREGORY.—If the Minister will study the United States of America Tariff he will find that the duties have been rising and falling as different Governments came into office ever since

1803, and I may remind him that the McKinley Cabinet, which was responsible for the heavy Protectionist duties in 1890 went out of office on the next appeal to the country. I do not know whether the present Government will meet a similar fate. I am only reminding the Minister of what happened in that case. The United States of America so built up their iron and steel industries that they can do without protection, and Canada, which is alongside the United States of America, and whose industries are in competition with those of the United States of America, is content with a duty of 10s. 5d. per ton on pig iron, whereas this Committee is asked to increase the duty of 20s. per ton by 50 per cent.

Mr. CONSIDINE.—One-third of the capital invested in Canada is from the United States of America.

Mr. GREGORY.—But the policy of the Canadian Government is not dictated by the investors of the United States of America, who may have put their money into Canadian plant. I want also to remind honorable members that the Canadian manufacturers, besides having to meet the United States of America manufacturers in competition, have to import a great proportion of the coal required for manufacturing purposes. For instance, in 1918, they imported 45,000,000 tons of anthracite coal, duty free, and over 14,000,000 tons of bituminous coal, on which they paid a duty of 35 cents per ton, and still they are able to carry on with lighter duties than are proposed in this schedule.

I direct attention to the report of a Select Committee that inquired into this particular industry, and reported in October, 1912. Mr. Delprat gave some important evidence. He was asked—

I presume you are going into these works, believing you can compete successfully, so far as iron and steel are concerned, with the markets of the outside world?

He said "Yes" to this question, and was then asked—

I suppose you will not ask that any import duty be put upon iron and steel to assist you in your industry?

To this he replied—

No. We have decided that if we cannot carry on without Government support or assistance, we shall not proceed with the works at all.

Sir JOSEPH COOK. — The conditions have totally altered since then.

Mr. GREGORY.—The Treasurer reminds us that the conditions have altered. I have been looking up earlier *Hansard* reports and reading the wonderful speeches made by members of the Free Trade party headed by the present Prime Minister (Mr. Hughes), and aided and abetted by the present Treasurer (Sir Joseph Cook). I cannot believe that either of those gentlemen has altered his opinion to any extent. It is possible, however, that political views have made all this difference in them. I want to show that industrial conditions have not altered in Australia to the extent that they have altered in Great Britain and America. I shall show, later on, that the wages paid in those countries in the manufacture of agricultural machinery are considerably in advance of those paid in Australia, and that the production elsewhere is ever so much greater than it is here. If the workers would only give an adequate output, the cost of wages paid to them would be no great item.

Mr. HECTOR LAMOND.—Has the honorable member read the evidence given in this morning's paper in regard to Cockatoo Island?

Mr. GREGORY.—I read the evidence contained in the report submitted by the Public Accounts Committee, of which the honorable member for Hunter (Mr. Charlton) was Chairman. It was one of the fairest and best reports ever published. It showed the difficulties with which the management of the island had to contend. Unfortunately, the recommendations of the Committee were not carried out.

Mr. LAVELLE.—On a point of order, what connexion has the honorable member's remarks with the item under discussion?

The TEMPORARY CHAIRMAN (Mr. Atkinson).—The honorable member for Dampier is not in order in discussing Cockatoo Island.

Mr. GREGORY.—I have already shown that the report of the Inter-State Commission contains a clear and distinct statement made by the Broken Hill Proprietary when they established their steel works that they did not require anything

in the nature of a duty or assistance from the Commonwealth Government.

Mr. WATKINS.—They all said that at the commencement. They were enthusiasts. The attempt to start steel works in Australia in face of such tremendous opposition reads like a romance.

Mr. GREGORY.—Probably there is a different crowd in control to-day. Possibly, seeing the way in which duties have been increased all round, they have come to the conclusion that they might as well be in the swim and ask for more.

Mr. CHARLTON.—The honorable member has made comparisons with almost every country in the world but Belgium, from which our steel works are getting competition to-day in the shape of goods which probably come from Germany.

Mr. GREGORY.—I have figures that show that the prices of these big lines coming from Belgium are nearly 300 per cent. higher than pre-war prices. Of course, we shall never go back to the pre-war level. I do not want that. I want to see good conditions established for our workers, because it will be useless for us to attempt to carry on without a contented community; but we cannot exceed the productive capacity of the country. We cannot pay wages beyond our productive capacity. We must consider the effect these duties are likely to have on people who are engaged in primary production. If the imposition of heavy duties makes land development too expensive, production must decrease; and if we cease to produce wealth we cannot continue to pay wages.

The following words, contained in the report of the Inter-State Commission, justify my previous remarks in reference to the iron deposits at Iron Knob:—

I see nothing in the evidence to justify the assumption that some form of fiscal assistance will be permanently inevitable. On the contrary, the richness of Australian ore deposits, compared with those of other countries (the Iron Knob ore yields 68 per cent. of iron as against 36 per cent. profitably worked in Germany), and the freight charges borne by our nearest competitors, make it probable that Mr. Delprat's original view that the industry can stand on its own footing in Australia will prove right once output is secured, and with it low production cost. The adage, "The ore goes to the fuel" is complied with in the Australian works.

Before reading the recommendation of that Commission, I want to point out that



the people of Western Australia are endeavouring to build up their State. Mr. Lysaght has demonstrated the cost of conveying galvanized iron and other materials from Newcastle to Fremantle—the freight ranges from £2 10s. to £3 2s. 6d. per ton—and the Inter-State Commission has shown that even if a bonus were given for the delivery of pig-iron to distant places, no such bonus would be sufficient to enable Australian manufacturers to capture the Western Australian market. I do not suppose that much pig-iron is imported into Western Australia, but I feel sure that steel and other similar lines can be imported from Great Britain under the present Tariff cheaper than they can be from Newcastle unless the price of the Broken Hill Proprietary Company's product is considerably reduced. Freight alone will enable the Western Australian people to get a cheaper article from Great Britain.

Mr. HECTOR LAMOND.—The honorable member is not looking at the cost of carrying the raw material to Newcastle.

Mr. GREGORY.—That is quite a different matter. Evidently the honorable member has not studied the question. The Broken Hill Proprietary Company have vessels specially built for the purpose of conveying iron ore from Iron Knob to Newcastle.

Mr. HECTOR LAMOND.—Those vessels are under the same navigation laws, awards and expenses as are other vessels.

Mr. GREGORY.—That, again, is an entirely different matter. The Broken Hill Proprietary Company's vessels run from their own wharf at Iron Knob to their own wharf at Newcastle, and their costs are nothing in comparison with what they would be if they had to tie up at other people's wharfs and consign from one port to another. This is the recommendation made by the Inter-State Commission—

We recommend that a duty of 17s. 6d. per ton general, and 12s. 6d. per ton preferential, be imposed on pig iron, except pig iron of special brands and values, which are provided for hereunder. This will not secure the Western Australian market, but no means can be seen of arranging for this without the imposition of a duty more than adequate for the other States. If the Government have power, the best method to adopt would be by giving further assistance by way of a 10s. per

ton bounty on all Australian pig iron delivered to Western Australia.

The Commonwealth has no power to differentiate between States in that way.

Mr. GREENE.—The Constitution specially debars that.

Mr. HECTOR LAMOND.—If the Inter-State Commission has recommended a remedy which is unconstitutional, what weight can be attached to its other recommendations?

Mr. GREGORY.—The Inter-State Commission was inquiring into the Tariff, and not into constitutional questions, and the report has this qualification—"If the Government have power." The Commission's recommendation has been entirely ignored. I understand that the honorable member for Newcastle (Mr. Watkins) intends to move an amendment, and after it is disposed of I shall move that the recommendation of the Inter-State Commission for a duty of 12s. 6d. per ton be adopted.

Sir ROBERT BEST (Kooyong) [9.5].—The honorable member for Dampier (Mr. Gregory) has industriously and laboriously applied himself to the investigation of ancient history, and written under old conditions. He has looked into evidence furnished to the Inter-State Commission in 1912, and has studied most carefully the recommendations they made. But those investigations and recommendations were made under a condition of things totally different from those existing to-day, and I do not think they can help us in any way. The honorable member must realize that the cost of production has increased 100, 150, and in some cases 200 per cent.

Mr. GREGORY.—All over the world.

Sir ROBERT BEST.—I am referring to Australia. Whilst Mr. Delprat and other witnesses may have had splendid aspirations as to starting the industry without assistance, the actual practical experience has clearly demonstrated that under existing conditions the industry cannot prosper without Protection.

Mr. STEWART.—The steel works have done very well so far.

Sir ROBERT BEST.—Probably they have, mainly under war conditions, and I commend the proprietors for their enterprise; but we must realize what has actually taken place during the last twelve

months. Honorable members have referred indiscriminately to the increase of duties to be proposed by the honorable member for Newcastle (Mr. Watkins), and much confusion exists as to the real issues; they have overlooked the very essence of the question. As the honorable member told the House—and this is the kernel of the matter—the duty proposed by the Government twelve months ago was 20s. per ton British preferential for pig iron. As the result of an investigation by the Minister (Mr. Greene) and his officers into the affairs of this great industry, the Minister was satisfied that fair and reasonable protection for the industry would be a duty of 20s. per ton. I ask honorable members to apply their minds to what has happened in the meantime. According to the Hibble report, the cost of coal has increased 4s. per ton; according to the Board of Trade award, wages have increased 8s. 6d. per week per employee; and, in addition, harbor dues have been imposed, making a total increased cost of 14s. per ton.

Mr. CHARLTON.—Coal, in 1912, was 11s. per ton, and it is now 21s. 9d.

Sir ROBERT BEST.—Yes. The result of the industrial increase during the last twelve months is that the duty of 20s., imposed on the 25th March, 1920, is worth only 6s. to-day to the industry.

Mr. McWILLIAMS.—Is not the coal supplied to the steel industry the cheapest in the world?

Sir ROBERT BEST.—I have allowed for the increase in the cost of coal and wages, and the result has been to decrease the scheduled duty by 70 per cent. (British preferential).

Mr. McWILLIAMS.—How does the honorable member make that out?

Sir ROBERT BEST.—The increase of wages by 8s. 6d. per employee per week, the increase of 4s. per ton in the price of coal, and the harbor dues have increased the cost of production by 14s. and upwards per ton.

Mr. RICHARD FOSTER.—What is the corresponding change on the other side of the world?

Sir ROBERT BEST.—I will tell the honorable member presently. My contention is that the investigations of the Minister enabled him to satisfy himself,

when he introduced the Tariff, that 20s. per ton was a reasonable duty for the encouragement of this industry. And in that view this House would have supported him. Parliament would have been satisfied that 20s. was a fair duty to impose in order to effectively protect the industry. However, the duty which he then imposed is to-day worth only 6s.; and it is in those circumstances that the Broken Hill Proprietary Company come to Parliament and lay their case before it. I have just been asked what has been the state of affairs on the other side of the world. I have shown that the increased cost of production here is equal to 70 per cent. reduction in the value of the duty. On the other side, taking Belgium for example, coal has considerably decreased in value.

Mr. McWILLIAMS.—What is the price there?

Sir ROBERT BEST.—I have the figures at hand, and will endeavour to furnish them to the honorable member. In America also coal has decreased in value.

Mr. GREENE.—At the pit run in Pittsburg the price is at present 16s. 8d. per ton.

Sir ROBERT BEST.—In the United States of America there has been a decrease of 11s. 3d. per ton during the year. That means that the cost of production has decreased, so far as fuel is concerned, by that amount per ton. As for wages, I can furnish abundant material to prove that there have been substantial decreases in Belgium, from which source we fear much opposition; and in America also. The honorable member for Dampier (Mr. Gregory) made reference to the contrast between our wages and those paid in Germany last year. Wages were £7 per month there as against £18 here. This year, wages in Germany are at the rate of £5 per month, as against £22 10s. paid in Australia to-day. That clearly indicates that, while the cost of production here has greatly increased, the cost on the part of our competitors has considerably dropped.

Mr. McWILLIAMS.—Tell us something about Great Britain.

Sir ROBERT BEST.—In the Mother Country wages are coming down.



Mr. McWILLIAMS.—How much is coal there?

Sir ROBERT BEST.—The price is £2 odd per ton. But I am speaking of the altered conditions so far as our foreign competitors are concerned. Some honorable members talk as though we were resorting to some wild and untried experiments, or some scheme which would prove, upon experience, to be detrimental to the best interests of Australia. The American people, by greater foresight than we are exercising, realized that the only way in which to build up the iron and steel industry was to impose high duties. For many years the imposition was equal to 80s. per ton. Ultimately the duty was reduced to 75s. There were two results. The first of these was that the production of America was vastly increased, and more than supplied the home market, and the second was that with the increased production, the cost to the consumer fell considerably. I am in a position to quote highly authoritative figures which conclusively demonstrate that the outcome of the exceedingly high duties imposed was not an increase in the price of commodities to the primary producer, but the very reverse. That has been the experience of the world. America could never have established her iron and steel industries but for the imposition of high duties, because from the moment of their inauguration those activities would have been overwhelmed by importations of English products, in which country similar industries had been established for a very long while. It was due to the erection of the high Protective wall that the American industries were so flourishingly established as to attain vast proportions, while, at the same time, there was a striking decrease of prices to the consumer. And there was this complementary result that prices of competitors in the Mother Country were also brought down.

Mr. McWILLIAMS.—Has the effect been to reduce the prices of agricultural tools and implements here?

Sir ROBERT BEST.—Yes; and that can be demonstrated very easily. We need not be much alarmed by this proposed increase of duty, since it can be shown that it is not paid by the consumer. We realize that the iron and steel industry is

essential for Australia, and that it is the duty of Parliament to give whatever protection that industry requires. The great point emphasized by the honorable member for Dampier was that it had not been demonstrated that a duty is required at all. I shall quote illustrations to show how essential is the imposition of a duty. I draw my facts from a statement furnished by the Industries Protection League, upon whose figures I can absolutely rely. I have before me a statement showing comparative prices of British, Continental, and Australian steel products. For example, the landed price, duty paid, of pig iron in Australia is £10 15s. 6d., and the cost of producing here at local works is £9 2s. 6d. The landed price per ton of ingots, blooms, billets, &c., from the Continent is £10. With duty added, the price is £13 5s. landed here. The Broken Hill Proprietary works cannot turn out the same line of product under £14 10s. per ton. Then, with respect to bars, rods, angles, and tees, the landed cost here today from the Continent is £17, while the actual cost of production in Australia is £21 10s. The landed cost of bars, &c., from Great Britain, of course, including duty, is £19 14s., and, as I said, the cost here is £21 10s. The landed cost here of rails, 60 lbs., 45 feet in length, is £17 4s., but they cannot be produced here for less than £17 17s. 6d. Joists, channels, and girders from the Continent cost £18 landed in Australia, duty paid, and the cost to produce here is £22 10s.

Mr. McWILLIAMS.—Why does not the honorable member quote the British prices?

Sir ROBERT BEST.—I am quoting the price of our competitors on the Continent. Honorable members must realize that we cannot obtain the whole of our requirements from Great Britain; and if they study the question they will see that many of our importations in this direction come from Belgium and Germany.

Mr. STEWART.—Cannot we get nearly all that we require from Great Britain?

Mr. GREGORY.—Not at the price.

Sir ROBERT BEST.—I was explaining that joists, channels, and girders landed in Australia from the Continent cost £18, and we cannot produce them here under £22 10s. I have only given

a few instances, including one British example. We have to consider whether we are to encourage these industries in Australia, or to allow them to be crushed out of existence by importation from abroad.

Mr. BRENNAN.—Were those figures designed with the idea of showing that Protection makes the articles mentioned cheaper?

Sir ROBERT BEST.—The experience in America proves conclusively that high protective duties reduce the cost to the consumer, as the industries are established and expand. We can, of course, throw open our ports, and allow goods to come from abroad free of duty; but in doing so we will annihilate our industries and bring disaster on the community by causing unemployment and higher prices; by so doing we place ourselves at the mercy of the foreign exporter. We have to consider whether the proposed duties are reasonable. The Minister for Trade and Customs (Mr. Greene) said twelve months ago that 20s. per ton was a fair rate; but we have to realize that, owing to altered circumstances which have arisen in consequence of the increased costs, that that duty now represents only 6s. I admit that this is a difficult matter to adjust; but I repeat what I have previously said, that we should appoint a Tariff Board, whose duty it would be to fully investigate the conditions under which protected industries were operating, and if it were discovered that too high a duty was being imposed, or that advantage was being taken of the Tariff, the Board could recommend Parliament to adjust the duty, and thus create fair and reasonable competition. The honorable member for Dampier (Mr. Gregory) does us a great injustice when he suggests that we are creating monopolies. We have no desire to do that.

Mr. STEWART.—That is what you are doing.

Sir ROBERT BEST.—I would sooner assist in creating a monopoly within Australia than support one operating abroad. In America monopolies were created, but they were dealt with under the anti-trust laws. If combines are created here as the result of a Protective Tariff, it will be open to us to deal with them. This is a key industry, and it is admitted by every honorable member that it is one that should be encouraged. We should

not take any risks, and if the Committee is satisfied that the industry requires further protection to enable it to expand, and that we are justified in accepting the assurances that have been given, we must not ignore the claims made. I trust the Minister will investigate the matter, and let the Committee know if he considers the amendment to be proposed by the honorable member for Newcastle (Mr. Watkins) fair and reasonable in the circumstances.

Mr. GREGORY.—What about a bounty?

Sir ROBERT BEST.—I am not very keen on bounties. This is a real and fundamental means of making this key industry of Australia a great and expanding one, and the recognised process of assisting it is by imposing protective duties under the Tariff.

Mr. WATKINS (Newcastle) [9.27].—One does not mind figures being quoted with the idea of opposing or supporting an item in the Tariff schedule if they are within the range of reason; but when inaccurate figures are submitted, such as are those quoted by the honorable member for Dampier (Mr. Gregory), a word or two in reply is necessary. In opposing higher duties, the honorable member quoted the richness of the ore from Iron Knob as compared with that mined in other parts of the world. According to analyses the iron contents of American ore from Lake Superior ranges from 55 per cent. upwards.

Mr. GREGORY.—The Broken Hill people must be liars, because I quoted from their report.

Mr. WATKINS.—The percentage of metallic iron in the ore raised in Great Britain is 50 to 55; whilst that from India contains 65 to 68 per cent. of metallic iron. The ore produced in Spain, Sweden, and Luxembourg is also very rich. Iron Knob is acknowledged to be the richest deposit, but its extent and richness is not anything like what the honorable member would lead one to believe.

Mr. McWILLIAMS.—What is the percentage of iron in the ore from Iron Knob?

Mr. WATKINS.—I have not the figures before me.

Mr. McWILLIAMS.—I have been informed that it is the richest and cleanest in the world.



Mr. WATKINS.—Assuming that it is richer than ore mined in other parts of the world, it does not prove the statement of the honorable member for Dampier that it is twice as rich. The American railway companies grant special freight concessions in carrying ore to the principal works throughout the States; but Iron Knob is a considerable distance from the port of Newcastle, and as all the carriage is by water, harbor and other dues are incurred.

Mr. McWILLIAMS.—But water carriage is cheap.

Mr. WATKINS.—The honorable member is quite wrong there. Only a little time ago we heard him complaining of the high freights on the Australian coast.

Mr. McWILLIAMS.—But this boat belongs to the Broken Hill Company.

Mr. WATKINS.—Does the honorable member imagine that one boat or one mine can supply the present requirements of the works at Newcastle?

Mr. McWILLIAMS.—The honorable member is not complaining, I suppose, of the quality and price of coal.

Mr. WATKINS.—I want to say that, as late as 22nd March, the price of coal in America was reduced to 3 dollars 36 cents per ton, or 17s. 3d., as compared with 21s. per ton, the price at which it can now be obtained at Newcastle. That has to be taken into consideration, and also the fact that there has been a reduction of some 4s. to 6s. per ton in the price of coal in Belgium, and on the Continent, where coal mines are now operating. All that I am concerned about is the adjustment of the duty to bring it up to the equivalent of what it was when the Tariff was laid on the table. The honorable member for Wide Bay (Mr. Corser) questioned whether the increased duties I propose would not cover some of the items which are not produced here. I am able to inform him that everything in the schedule on which I ask for an increased duty is being produced at the Newcastle works, and also at the Lithgow works, in sufficient quantity to supply any orders that come along.

Mr. BRENNAN.—What about our export trade?

Mr. WATKINS.—We shall be lucky if we can supply our own requirements for some years to come. I move—

That the following words be added to sub-item (A):—"And on and after 2nd June, 1921,

per ton, British, 30s.; intermediate, 45s.; general, 60s.

If these increases are agreed to, they will bring the duty to about what it was, in effect, when the Tariff was laid on the table. We set out with a view to the establishment of these works in this country, and while I should have preferred that they should be conducted as a national undertaking, I say that, having been established, they give employment to a great number of men directly and indirectly throughout the Commonwealth, and they should be supported.

Mr. STEWART (Wimmera) [9.35].—This is a very important item, because, as has been stated more than once, it affects a key industry. If we agree to the amendment, the result will be that steel and iron used in the production of agricultural implements, fencing wire, and other manufactures, will be increased in price, and quite naturally those conducting the secondary industries will pass on the increase in price to their customers. This wealthy company is asking for more protection. What does it want to be protected from? I have heard no one suggest what this company requires to be protected from.

Mr. BRENNAN.—Is this not an infant industry?

Mr. STEWART.—It is an infant industry, but it will be admitted that it is a fairly lusty infant. We have always heard as the chief argument for the imposition of Protective duties that they are necessary to enable a struggling industry to get upon its feet. If the Broken Hill Company and other companies engaged in this industry are not on their feet now, when are they going to be in that position? As I have previously said, as these industries grow, the more insatiable becomes their appetite for higher Protective duties. I should not be surprised if the amendment were passed, because our experience of the consideration of this Tariff has been that if an honorable member moves for an increase of 10, 15, 100, or 150 per cent. on the duties proposed, he stands a first-class chance of getting his amendment through. The object of the proposed increase of duty is to enable the Broken Hill and other companies to raise their prices. Who is going to pay the increase? In the case of fencing wire and agricultural implements, it is the man on the land who will have to pay it. Whom is he going to pass the increase on to? I

wish that some of the champions of these monopolists in this country would tell me and the primary producers in general whom they are to pass these increases on to. We know that this wealthy company is asking for protection really from the operation of the world's parity which they insist that the primary producer shall conform to. Immediately the price of primary products in this country rises a fraction above what it is in the markets of the world, there is criticism of the unfortunate primary producer, who is told that he must accept the world's parity, and should ask for no more. These so-called infant industries are not to be restricted in that way.

Mr. GABB.—That is not the Labour party's policy.

Mr. STEWART.—Judging from interjections, speeches, and some of the votes of honorable members opposite, it is very difficult to understand what the Labour party's actual policy is.

Sir JOSEPH COOK.—Their policy is that they do not know what they want, and keep on asking for it.

Mr. STEWART.—I do not propose to speak at any length. My experience is that it is of little use to say anything in regard to this Tariff. No matter how irrefutable one's arguments may be, if they are in advocacy of lower duties they will not receive the slightest attention. The primary producers who are using the products of the steel industry and other industries in Australia have to sell in the markets of the world, and their wages are Free Trade wages. We are told that it is unfair to expect the white Australian workers employed in this industry and in other city factories to compete with black-labour rates; but the men on the land, who use the implements which those factories produce, have to submit to black-labour rates, not only overseas, but within the Commonwealth. That assertion has not been squarely faced by any honorable member, except, strangely enough, the Minister (Mr. Greene). The honorable gentleman admitted that it was unjust to ask the primary producers to sell at export parity when they had to pay import parity for the means of production. He admitted that if they were forced to pay import prices for their means of produc-

tion they should be entitled to import prices for what they produced.

Mr. GABB.—Hear, hear!

Mr. STEWART.—I am glad to hear that "Hear, hear!"; but if a proposition were submitted that the prices of meat, wheat, and butter in Australia should be the import parity, how many "Hear, hears!" would greet it? How many votes would be cast for such a proposition? These wealthy monopolies, these "infant industries," as they are called, must be protected from world's parity, and the unfortunate struggler in the bush, who, in many cases, is working, not eight hours, but fourteen hours, a day—working under conditions which the honorable member's constituents would not stand for twenty-four hours—must "pay the piper" in order that the industries in our big capital cities shall flourish. Honorable members opposite support these high duties because they think they mean more factories, and more factories mean greater competition for labour. They lose sight of the fact that high duties also mean that labour must pay higher prices for what it consumes. Let this state of affairs go on. Let the organized capitalists of Australia fight for higher duties, and the organized Labourites support them! Let this unholy alliance go on, and, sooner or later, a day of reckoning will come. The primary producer to-day is having a hard time. Honorable members opposite talk of the hard times of the workers in our cities; but I would remind them of the low prices which the men on the land to-day are receiving for wool, sheep-skins, meat, butter, and all other products except wheat. I hope that the Committee will not only reject the amendment providing for an increased duty, but will vote for the further amendment which the honorable member for Dampier (Mr. Gregory) intends to move for a reduction of the existing duty.

Mr. HECTOR LAMOND (Illawarra) [9.45].—It is rather perplexing to hear coming from the Corner party objections to a union of Capital and Labour. I have always been under the impression that one of the great objects of the party, and of many other people in the country, has been to bring about that happy state of affairs which, the honorable member for Wimmera (Mr. Stewart) says, this Tariff



is going to produce. The honorable member has asked several times, "Who is going to pay the increased cost of commodities which will result from the higher duties for which the Tariff provides?" So far as most of them go, they will be paid by the people who ultimately consume the products affected, and in the case of the industry in which he is particularly interested, they will be paid mostly by the city consumers of bread. That the honorable member should have worked himself into such a fury over the proposal to give this industry some protection, when, at the present moment, his industry is enjoying a protection that it never had before, in that it is permitted to sell its produce here far above world's parity, seems to me not to be in the best of taste.

I had, however, desired rather to direct my attention to some of the remarks made by the honorable member for Dampier (Mr. Gregory). In the course of his speech, the honorable member expressed the hope—a hope that I do not think he really cherishes—that our conditions would be reduced to those of the countries with which we have to compete. At a later stage he said that he wanted the workers of Australia to be more happily placed than those of other lands. Many of our industries are competing with the products of very low-wage countries. Conditions in Australia are not the same as those of any other country, with the exception, perhaps, of America, and I, for one, do not write myself down with those who think that the ills of the Commonwealth can be cured by a general reduction in wages. I have yet to learn that the high-wage country is not always the best country for all the industries carried on in it, and it should be the object of our statesmen to establish the highest standard of living that is possible in all the industries conducted here. I make that statement with the knowledge that at times some of our industries require consideration from those engaged in them, and that consideration should be given.

Mr. STEWART.—Does the honorable member think that some industries should be built up at the expense of others?

Mr. HECTOR LAMOND.—Some of our industries should be built up at the expense of the general community, and unless we are prepared to do that we shall

never be a self-contained nation. The honorable member for Dampier called attention to the fact that one or two members of the Government were Free Trade champions some years ago.

Mr. STEWART.—In their hearts some of them are Free Trade champions to-day.

Mr. HECTOR LAMOND.—The honorable member apparently has power to read hearts, and so has a lower conception of humanity than have others from whom that power is fortunately withheld. I am one of those who started in politics as a believer in Free Trade principles. But I do not regard it as a reproach to be told that I have departed very far from many views which I believed to be right when I was young. It would be a matter for regret if the people of this country, particularly those charged with its government, should have a quarter of a century's experience of changing conditions without being able to adapt their conclusions to the altered circumstances in which they find themselves. The honorable member for Dampier is one of the few people I have come in contact with on whom the war has made no impression, and to whom it has taught nothing. If the war has left any great lessons, surely the first is that this country to endure must be made self-contained.

Mr. BRENNAN.—The war did not affect the law of gravitation to any great extent.

Mr. HECTOR LAMOND.—I am afraid the war did not affect the centre of gravitation so far as the honorable member's political principles are concerned—they remain constant and quite outside Australia. As I say, the war has taught us that for its safety the nation should be self-contained.

Mr. GREGORY.—With preference to the Old Country.

Mr. HECTOR LAMOND.—As against her competitors, but not as against the best interests of Australia. Those who wish well to the Empire may stand with those who say that Australia shall be self-contained, even if we say that those things we can produce shall not be received from outside, even from Great Britain herself.

Mr. JAMES PAGE.—Wave our flag—the dear old Union Jack.

Mr. HECTOR LAMOND.—I point out that we are not waving the flag of Great Britain, but the flag of the British Empire, of which we are as much a part as Great Britain is. If we do our work well in Australia, we are promoting, not only our own interests, but the interests of every part of the Empire. The narrow view which honorable members opposite attribute to those who preach Empire solidarity is not the view of those who see furthest as to what the course of Empire will be.

As to the iron and steel industry generally, I hold the view that it is hardly possible to name a price too high to pay for its establishment within the Commonwealth. I give credit to the men who control the industries associated with the steel works at Newcastle and Port Kembla for the example they set to other manufacturers in regard to the fixing of prices. It would certainly make it much easier to frame a Tariff if all the manufacturers followed the wise policy of making their price, not the highest possible inside the Tariff, but a price representing a fair return for the work put into the goods they sell.

Mr. STEWART.—It is a remarkable exception.

Mr. HECTOR LAMOND.—It is an exception that ought to be noted, and it stands to the credit of those who control the industry. And it is not the characteristic of those men alone; good men who conduct their business honestly are blamed for the sins of others who exact the uttermost farthing the Tariff allows; and it is the latter class that makes the framing of a Tariff so difficult.

Mr. JOWETT.—What would you do with those people?

Mr. HECTOR LAMOND.—I would hand them over to the tender mercies of a Labour Government.

Mr. JOWETT.—That would only make them worse.

Mr. HECTOR LAMOND.—It ought to make them better.

The honorable member for Dampier sought to raise the threadbare cry of "country *versus* city."

Mr. STEWART.—It is about time it was raised.

Mr. HECTOR LAMOND.—It is raised by men who have very little to support the attitude they adopt; men who very often overlook the fact that the people who carry on the secondary industries in the cities are working for the people in the country.

Mr. STEWART.—In the city they work eight hours a day, while those in the country work twelve.

Mr. HECTOR LAMOND.—I do not know how the honorable member can do his twelve hours on his farm after his sixteen hours' work in Parliament, but I suppose he manages to do it.

Mr. JOWETT.—Why sneer?

Mr. HECTOR LAMOND.—In the honorable member for Grampians (Mr. Jowett) I try to find some sign of the wretched down-trodden primary producer. Let Australia look to that gentleman as an example of the rewards which slavery on the land may bring; at any rate, I can only say that if those who, according to the honorable member for Wimmera (Mr. Stewart), go on the land to "slave," can all secure similar results, the secondary producers must envy them, and certainly no amount of protection could keep people off the land. Alongside this attempt to set city against country there is evidence that almost every year the amounts paid to landlords for the privilege of working their land are increasing. I suggest to the reformers that they examine a little more closely the money thus exacted by people who render no service to the industry, and that they have a little less to say about those who in the cities are earning all the money they are paid for services rendered to primary industry.

Mr. JOWETT.—The honorable member, of course, is referring to city landlords.

Mr. HECTOR LAMOND.—The landlords are just as oppressive in the cities as in the country.

Mr. JOWETT.—The landlord is not an oppressor in the country. I have never met one, or heard of one, who can be so classed.

Mr. HECTOR LAMOND.—There are portions of my electorate where £120 an acre is being paid for land that honorable members contend will produce nothing but slavery.



The TEMPORARY CHAIRMAN (Mr. Atkinson).—Order! Will the honorable member show the connexion between his remarks and the question before the Chair?

Mr. HECTOR LAMOND.—I do not know that I can show any more connexion than the honorable member for Dampier (Mr. Gregory) could have shown if you had asked him the same question when he was speaking.

The TEMPORARY CHAIRMAN.—Order! The honorable member is out of order.

Mr. HECTOR LAMOND.—I can connect my remarks in this way: The honorable member for Wimmera (Mr. Stewart) pointed out that the whole burden of the duties we are considering is going to be paid by the agricultural industries.

Mr. STEWART.—I did not say the whole burden.

Mr. HECTOR LAMOND.—The honorable member professed to mention the people on whom the burden will fall, but he did not get beyond the primary producer in the list he gave. This is not a question of city *versus* country, or of primary producers *versus* secondary producers. It is a question of the establishment in Australia of certain industries which are necessary to our existence as a nation, and without which no country can continue under modern conditions to exist.

Mr. BRENNAN.—Your point is that the secondary industries are the primary industries?

Mr. HECTOR LAMOND.—I should not mind attempting to demonstrate that, because these secondary industries are essential to the conduct of the primary industries. The only question we have to decide is whether they shall be conducted in Australia, or somewhere else. The honorable member for Wimmera is not going to cultivate his land with the old wooden plough of the Eastern peoples. He is going to cultivate it with modern machinery, which must be made either in or out of Australia. He is going to give employment to the people in Australia, or to their competitors outside Australia. In that matter, the honorable member has no choice. If he is going to conduct his industry on modern lines, he must em-

ploy somebody in secondary industries. In every step he takes, from the time he rises in the morning until he goes to bed at night, in all the articles he uses when he takes his food, and in everything he employs to equip himself for the work he does during the day—in every operation that he pursues, he must employ secondary industries; and the choice that is left to him is not the choice of whether people shall be employed in the cities or in the country, but of whether in the secondary industries which are essential to his work he shall employ people in his own country, or the cheap labour of other countries.

Mr. STEWART.—It depends upon the conditions under which we shall employ them.

Mr. HECTOR LAMOND.—If the industries are established here, those conditions will be decided by the Australian people. They will be such as the Australian people approve; but if the argument of the honorable member for Dampier is to prevail, and we are to look to the cheap labour of the Eastern countries as the standard to be set up here, then not only will the secondary industries of this country fade away, but the primary industries will be reduced to the same level as their competitors across the sea.

Mr. STEWART.—The primary producers have to take those wages now.

Mr. McWILLIAMS.—Does not the honorable member for Dampier's amendment offer a preference to Great Britain?

Mr. HECTOR LAMOND.—I am talking, not of the honorable member for Dampier's amendment, but of his argument. If we are to maintain that standard of living which the Australian people believe to be essential, we cannot allow the competition of nations whose conditions are less favorable than our own. The honorable member for Franklin (Mr. McWilliams), in a tone of triumph, pointed out that the Newcastle steel works employed their own ships. What difference does that make to the argument? The honorable member for Newcastle (Mr. Watkins) pointed out that they do not employ their own ships.

Mr. McWILLIAMS.—That was only in answer to the argument about very high freights.

Mr. HECTOR LAMOND.—Even if they did employ their own ships, they have to man them under the same conditions as are observed by those who charge freights on the Australian coast, they have to pay the same harbor dues, and they must recognise the standards of living that the Australian people think desirable. From those points of view, they are under different conditions from their competitors on the other side of the world, who may also own their own ships, and may also cut out every item of expenditure that they can possibly cut out in the conduct of their work.

While I am not prepared to set up such a Tariff wall as will impose great restrictions upon the industries using the products of these great secondary industries, I am prepared to go as far as the Minister will go in this section of the Tariff. I believe that nothing but good can come to Australia from the establishment of these metal industries within our borders. Any one who goes to Newcastle to-day can see there, in twenty-four hours, an object-lesson that ought to convince even the honorable member for Wimmera that the interests of the primary producers are wrapped up in the development of our secondary industries, as much as the interests of the workers are.

Mr. STEWART.—Why can they not build themselves up without these tremendous duties? The primary producer has to do it.

Mr. HECTOR LAMOND.—The Chairman will not allow me to follow the speakers who preceded me on that argument, but the primary producers of this country have been assisted by the Government time and time again. We have done things to encourage the primary industries that have not been done for these secondary industries. If the primary industries require Protection for their development, I know of no Government in this country, Labour or National, that is not prepared to give them the assistance they need.

Mr. STEWART.—The moment we get 3d. above world's parity, there is an uproar in this country.

Mr. HECTOR LAMOND.—But is it anything to the uproar the honorable member makes when some other industry gets a little advantage which he thinks is

at his expense? No matter what we do in this Parliament, there will be an uproar. What we must do is what is best for Australia. We cannot hope to escape criticism for our actions. If we do things in the interests of Australia, we shall offend those who wish to exploit Australia. Our duty is to do the best we can to establish the primary industries, and, when they are established, to do the best we can to maintain such a line of secondary industries as will make Australia self-reliant and self-dependent.

Mr. FENTON (Maribyrnong) [10.10].—I shall support the proposal of the honorable member for Newcastle (Mr. Watkins). We live in exceptional times, and unless we adopt precautionary methods iron supplies will be dumped in our market very frequently. In a letter that I have here it is stated that, whereas Australian steel bars cost £23 5s. a ton in Melbourne, wholesale lots can be landed from Belgium—a country that has been left out of the calculations of most honorable members to-night—for £17 a ton, including the present duty.

Mr. JAMES PAGE.—Can you verify those figures?

Mr. FENTON.—Yes. Why are supplies dumped in Australia at prices lower than the cost of production? It is to kill the local manufacturing industries, so that when their competition has been removed Mr. Farmer and the rest of the community can be made by the importers to pay through the nose.

Mr. JAMES PAGE.—We have been told that for the past twenty years, and yet prices have been soaring steadily notwithstanding the import duties.

Mr. FENTON.—The honorable member himself was a Protectionist when the proposal was to protect the onion and the banana growers. We heard nothing from him in opposition to them.

Mr. JAMES PAGE.—What could I do?

Mr. FENTON.—The honorable member could have roared against them as he is roaring now. The honorable member for Wimmera (Mr. Stewart) was silent as a tombstone when it was proposed to put duties on onions and millet; but when it comes to protecting what is one of the key industries of the country, and doing what is needed in the interests of the Australian people, a howl of indignation



comes from him and from the corner of the chamber where he sits. The relations of the countries of Europe are not the same to-day as they were two and a half years ago. Germany was then our enemy and Belgium our ally; but to-day, from the trade point of view, both are our enemy. As an Australian and as an Australian legislator, if I have to choose between an Australian and a foreign combination I must choose the former. Some honorable members say that we are giving a monopoly to the Broken Hill Company and to Messrs. Hoskins; but I rely absolutely on the promise of the Minister for Trade and Customs (Mr. Greene), although I differ from him politically, that as soon as the Tariff is out of the way a Bill will be introduced to constitute a Board of Trade whose special duty it will be to see that no manufacturers who enjoy Protection shall fleece the public.

Mr. STEWART.—Why this sudden implicit belief in the promises of the Minister.

Mr. FENTON.—I am glad that the honorable gentleman intends to place on the statute-book one of the planks of the Labour platform, and to give effect to the New Protection.

Mr. STEWART.—Are you sure he will do it?

Mr. FENTON.—I am. If I were not, my attitude towards some of the proposed duties would be different. To-day the exchange rates operate largely in favour of Germany and Belgium against Australia, and put those countries in almost as favorable a position for competing against us as if we had no Tariff. The object of importers is to destroy the local manufactures, and to recoup themselves later for the initial losses they may be forced to incur. They do this at the expense of the consumers of Australia.

Mr. STEWART.—When Denmark undercuts the butter producers of Australia, they have to grin and bear it.

Mr. FENTON.—Every Australian butter producer would be glad to receive always for his butter the price the Danish butter brings on the London market. The honorable member has spoken of a combination between the capitalist and the worker as unholy; but the members of the Country party are in alliance with the

biggest exploiters of the Commonwealth, the importers of Flinders-lane and other importers. I would rather be in the company of the manufacturers of Australia than in that of the importers of Flinders-lane. This is an industry that has been established in Australia, and if honorable members care to look back over the records, they will find that during war-time the Broken Hill Proprietary Company could have obtained London prices for their iron and steel products for railway and shipbuilding purposes, but made them available at several pounds per ton below London quotations.

Mr. McWILLIAMS.—You had better not say too much about the shipbuilding industry.

Mr. FENTON.—I know as much about that as the honorable member.

Mr. McWILLIAMS.—No, you do not.

Mr. FENTON.—I think I do. I remind him that the Public Accounts Committee, of which I am a member, made full inquiries into all phases of the shipbuilding industry.

Mr. McWILLIAMS.—I know you did; but your report is not worth much.

Mr. FENTON.—I think it will be worth a good deal more than that which the honorable member will sign shortly. I am prepared to stand by that report. I think the honorable member will find that its recommendations will stand good for many years to come. But for the establishment of these iron and steel works in Australia our railway construction works would have been held up during war-time, and I point out to honorable members of the Country party, who are always talking about decentralization, that in the steel works at Newcastle and Lithgow we have the finest examples it is possible to get.

Mr. STEWART.—We do not object to them. We are pleased to know that they are established, but it is a question of the conditions under which they shall be carried on.

Mr. FENTON.—It appears that the honorable member for Wimmera, since he has resumed his seat, has discovered that these are fine industries for Australia, although, when he was on his feet, he was denouncing everything in general and the Broken Hill Proprietary Company in particular. I do not know why.

I am not fighting for any particular Combine myself, but I repeat that if it is a question of choosing between an Australian and an English, American, German, or Belgian Combine, my choice will be for the Australian every time, because I want to do what little I can to establish key industries here so that Australia may be a self-contained nation. If we can only develop the iron and steel, the woollen, and the cement industries, we shall be able to provide employment, not only for the men and women of Australia, but for a large number of people from other parts of the world, in the manufacture of goods for our own requirements without the export trade at all. Is that not a desirable objective, and one worthy of attainment?

Mr. STEWART.—But why cannot it be done under the old Tariff?

Mr. FENTON.—The honorable member for Dampier (Mr. Gregory) a little while ago quoted Mr. Delprat, the general manager of the Broken Hill Proprietary Company as saying, in 1912, that once the iron industry was fairly established, they were prepared to meet competition from any part of the world. Since then the whole world has been revolutionized.

Mr. GABB.—Made safe for Democracy.

Mr. FENTON.—I will not say that. Neither has it been made safe for autocracy, because crowned heads have been tumbling one after another. I remind the honorable member for Wimmera that in 1920 Mr. Delprat was very emphatic in stating that unless the iron and steel industry were protected by the Tariff from dumping, his company could not possibly carry on. He was then thinking of the condition of shipbuilding in other parts of the world. I think the honorable member for Franklin (Mr. McWilliams) will bear me out when I say that it was impossible to get a quotation from English shipbuilding yards for the construction of vessels at about that time. The yards would only undertake to build at a certain rate which averaged about £35 per ton, whereas in Australia the cost was about £30 per ton. The honorable member for Dampier says there is no difference now. As a matter of fact, there is. I believe that ships, which in 1920 cost to build about £35 per ton in

England, may now be built for about £10 per ton.

Mr. McWILLIAMS.—But while material is getting cheaper here, the cost of shipbuilding is higher.

Mr. FENTON.—I think it comes out at about £29 or £30 per ton.

Progress reported.

House adjourned at 10.30 p.m.

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## House of Representatives.

Thursday, 2 June, 1921.

Mr. DEPUTY SPEAKER (Hon. J. M. Chanter) took the chair at 2.30 p.m., and read prayers.

### CENSUS.

Mr. CONSIDINE.—I wish to know from the Minister representing the Minister for Home and Territories when the Australian census figures will be available?

Mr. WISE.—I answered the question about a week ago, when it was asked by the honorable member for South Sydney (Mr. Riley). I said then that the figures were expected in a fortnight or three weeks.

### POSTAL DISMISSALS.

#### PREFERENCE TO RETURNED SOLDIERS.

Mr. BLUNDELL.—I have received a telegram from South Australia, containing the statement that it is intended to dismiss postal employees there who are returned soldiers, many of whom have been employed two years, and some for longer periods. Before action is taken, will the Acting Prime Minister make the fullest inquiry into the circumstances, and see if preference cannot be given to the returned men?

Sir JOSEPH COOK.—I have received intimation of the proposed action, and have already taken steps to ascertain the facts. Until they are ascertained, I am unable to say more than that they will be given the fullest consideration.



## TAXATION COMMISSION.

Mr. GREGORY.—Has the Acting Prime Minister received a report from the Taxation Commission, which was appointed some time ago, and, if so, is it likely to be available to honorable members in the near future?

Sir JOSEPH COOK.—No. I understand that the Commission is somewhere in the wilds of Western Australia, though it is expected back any day now. When it returns, I shall make inquiry.

## REPATRIATION RULINGS.

Mr. BLUNDELL.—I understand that the Repatriation Commissioners have issued a book, setting forth their decisions under different classifications, and I ask the Minister representing the Minister for Repatriation whether he will see that every honorable member gets a copy of it?

Mr. RODGERS.—I do not know if the honorable members refers to the rulings given within the Department for the guidance of the officers administering the Act. I shall submit his request to Senator Millen, who is in charge of this particular branch of the work of the Department, and ask if it can be complied with.

## INFORMATION ABOUT FOREIGN AFFAIRS.

Mr. HIGGS.—Will the Acting Prime Minister release for public information any news concerning foreign affairs that he may get from the British Government?

Sir JOSEPH COOK.—My intention is to release all that can be released, the object of the Government being to give the public as much information as it can concerning foreign affairs generally.

## CENSORING OF CABLES.

Mr. CONSIDINE.—Does the Acting Prime Minister know whether the Imperial Government, at its end, or the Commonwealth Government, at this end, exercises censorship over news cabled from other parts of the world to Australia?

Sir JOSEPH COOK.—Since I have been Acting Prime Minister, there has been no censorship of news at this end; but I do not know what is done on the other side of the world.

## SOLDIERS' MOTHERS.

Mr. HECTOR LAMOND.—I ask the Minister assisting the Minister for Repatriation whether consideration has been given to the need for an amendment of the law which will relieve unfortunate mothers who lost at the war sons who, had they returned, would now be helping them, but who were not contributing to their support when they enlisted?

Mr. RODGERS.—The question hinges on an interpretation of, I think, section 27 of the Act, which defines the pension obligations of the Commonwealth, and requires the administration to ascertain to what extent and degree dependence on the soldier existed at the time of his enlistment, the rates of pension being fixed accordingly. The honorable member asks, I take it, that the Government should consider the assistance that soldiers killed in the war might now be giving to their parents had they returned. I will put the problem before my colleagues, and let the honorable member know the result.

ADJOURNMENT (*Formal*).BRITISH AND AMERICAN RELATIONS:  
STATE OF IRELAND.

Mr. DEPUTY SPEAKER.—I have received from the honorable member for Barrier the intimation that he desires to move the adjournment of the House to discuss a definite matter of urgent public importance, viz., "The menace to the world's peace involved in the growing estrangement between the United States of America and the British Empire, due in part to the awful state of affairs existing in Ireland under the British occupation, as depicted in the report of the American Commission on Conditions in Ireland."

Mr. CONSIDINE (Barrier) [2.38].—In its issue of the 25th September last the *New York Nation*, a newspaper of international standing, which exercises an immense influence in the moulding of public opinion in the United States of America, published the following editorial under the caption, "No War with England":—

It is because they believe that war between England and the United States would be the greatest calamity which could befall the civilized world, and because they feel that the

two countries are rapidly drifting apart, that the editors of *The Nation* have invited one hundred of their fellow-citizens to form a committee to investigate, through a commission, the charges and counter-charges of atrocities in Ireland. The case of Mayor McSwiney, and the other hunger strikers, has stirred this country profoundly. So conservative a newspaper as the *Chicago Tribune* declares that the "Irish situation seriously involves the United States, and the case of McSwiney is the Irish question just now at its highest point of drama." This, the most powerful newspaper of the Middle West, declares that if McSwiney starves to death this blunder "might conceivably affect the peace of the world." The words are ominously like those used by President McKinley, and the interventionists in Cuba in 1898, who maintained that the United States could not tolerate such terrible conditions at its door. . . . .

*The Nation* then sent the following telegram to all the members of the United States Senate, many members of the House of Representatives, the Governors of all the States, the mayors of about seventy-five leading cities, the editors of about twenty leading newspapers, including such papers as the *New York Times*, the *Chicago Tribune*, the *Boston Transcript*, the *Philadelphia Ledger*, the *Pittsburg Leader*, some thirty-five heads of universities or colleges and professors, Bishops of the Roman Catholic, Protestant Episcopal, and Methodist Episcopal churches, a large number of heads of unions and labour organizations, and men and women in other walks of life:—

The struggle between Great Britain and Ireland, which has gone for many months with increasing use of armed force by both parties, is widely reported to be accompanied by atrocities planned by British Government and answered in kind by Irish people. One grave result is rapid growth of anti-British feeling which seriously threatens unspeakable calamity of war between United States and Great Britain and endangers peace of the world. In the interest of peace and international friendship the editors of *The Nation* earnestly invite you to serve as a member non-partisan committee of representative Americans with power to add to their number, who shall designate a select commission to sit at Washington or elsewhere for impartial investigation of reported atrocities in Ireland, regarding which the British Ambassador and Professor De Valera, and others, shall be invited to submit evidence. Proposal does not contemplate any recommendation regarding future relations between Great Britain and Ireland.

*The Nation's* invitation resulted in the acceptance by such a large number of those circularized that the Committee of one hundred had to be enlarged forthwith

to a Committee of 150, comprising five Governors of States, ten United States Senators, twelve Congressmen, the mayors of fifteen cities, two Judges, two Jewish Rabbis, seven Protestant Episcopal Bishops, four Methodist Episcopal Bishops, the Cardinal, an Archbishop and four Roman Catholic Bishops, eleven labour union officials, an ex-ambassador, many ex-Governors and ex-senators, educationists, editors and proprietors of newspapers, and other prominent citizens of the United States. A ballot taken by this Committee of 150 resulted in the election of the following persons to serve as a Commission to inquire into the conditions in Ireland:—

JANE ADDAMS.—As a worker, lecturer, and writer for social betterment, she has won a reputation that makes her one of the most distinguished women in the world, one who has never refused a call to high public service. For over thirty years Miss Addams has been head of Hull House, Chicago. She is Chairwoman of the Women's Peace Party, and of the International Committee for Permanent Peace, and in 1919 served as President of the International Congress of Women, held in Switzerland.

JOSEPH WINGATE FOLK.—A native of Tennessee; his public career has been largely identified with the State of Missouri. He won his spurs as circuit attorney in St. Louis, by fearlessly exposing political corruption. He was subsequently elected Governor by the State on the democratic ticket by a large majority in a Republican year. His record as Governor stands as one of the particularly bright spots in American political life. During the Wilson Administration he served for a time as solicitor for the State Department, and since 1914 has been chief counsel for the Inter-State Commerce Commission. He is also general counsel for the St. Louis Chamber of Commerce.

JAMES H. MAURER.—For many years he has been President of the Pennsylvania State Federation of Labour. He is known as an authority on labour conditions and problems, and is a power in the progressive wing of the American Federation of Labour. Mr. Maurer has served several terms as a member of the Pennsylvania State Legislature for the Reading district.

FREDERICK CLEMONS HOWE.—He is one of the foremost American authorities on economic and social subjects, particularly on taxation and municipal government. He has been Professor of Law at the Cleveland College of Law, Lecturer on Taxation at Western University, and Lecturer on Municipal Administration and Politics at the University of Wisconsin. He has held several public offices, including that of Commissioner of Immigration at the Port of New York, from 1914 to 1919. He rendered conspicuous service as an expert



on international affairs attached to the American delegation at the Peace Conference.

DAVID I. WALSH.—He has had a notable public career in his native State. Admitted to the Bar in 1897, he began his public service as a moderator at town meetings, was elected to the Massachusetts House of Representatives, and served subsequently as Lieutenant-Governor and Governor. He was chosen as delegate at large to the Massachusetts Convention in 1917. His term as a United States senator began last year, and as a new member his vigorous personality immediately made itself felt. "If I considered my personal desires, I would decline the service offered," he wired *The Nation*, "but the patriotic and humanitarian aspects of this service compel me to forget self. I will serve with other members who will undertake this work with open mind and without prejudice of any kind."

Subsequently, the following were added to the Commission:—Rev. Norman Thomas, of New York; Major Oliver P. Newman, of Washington, D.C.; Senator George W. Norris, of Nebraska. The Commission applied to the British authorities so that no obstacle would be placed in the way of witnesses desiring to give evidence, and received a formal assurance from the British Ambassador that no person would be refused a passport on the ground that he or she desired to give evidence on either side. Subsequently, the British Ambassador, on 23rd October, 1920, wrote to the secretary of this Commission, and concluded his letter with the following words:—

I may add that nothing will be done by the British Government to encourage the holding of this inquiry, or to assist witnesses to appear before the Committee.

(Signed) AUCKLAND GEDDES.

In response to an inquiry, by the *Chicago Tribune*, Mr. De Valera, the President of the Irish Republic, said he welcomed the inquiry, but did not believe the British Government would facilitate evidence being placed before the Commission, and that owing to the command of the sea being held by the British Navy, it would be very difficult for witnesses to give evidence in the United States free from molestation, and also that there was no guarantee that when the witnesses returned to Ireland, they would not be made the object of fury of the army of occupation. The Commission held its first sitting at the Hotel Lafayette, Washington, D.C., on 18th November, 1920,

Mr. Considine.

when the chairman (Commissioner Howe), made the following statement:—

This is the first session of the hearings of the American Commission on Ireland. The motives which call this Commission into existence and its purposes as formulated by the Commission are as follow:—

He then repeated what had practically been stated by the editors of *The Nation* in the leading article referred to, when they sought to bring this Commission into existence. Thirty-eight witnesses were examined by the Commission at Washington, consisting of English men and women, Scotchmen, and American and Irish people, and including five members of the Royal Irish Constabulary, with service in Ireland extending from two months to thirteen years. As the result of their investigations the Commission sought permission from the British Embassy to send a delegation to visit Ireland, but were refused passports by the British Government. In consequence, the Commission was not able to proceed either to Great Britain or to Ireland in order to conduct its investigations personally on the spot. It dealt, however, with a great mass of testimony that was secured from British official reports, statistics, and parliamentary papers, and the report of the British Labour Mission to Ireland. On 6th April the Commission published its unanimous findings as follows:—

We find that the Irish people are deprived of the protection of British law to which they would be entitled as subjects of the British King. They are likewise deprived of the moral protection granted by international law, to which they would be entitled as belligerents. They are at the mercy of Imperial British Forces, which, acting contrary both to all law and to all standards of human conduct, have instituted in Ireland a "terror," the evidence regarding which seems to prove that—

1. The Imperial British Government has created and introduced into Ireland a Force of at least 78,000 men, many of them youthful and inexperienced, and some of them convicts; and has incited that Force to unbridled violence.

2. The Imperial British Forces in Ireland have indiscriminately killed innocent men, women and children; have discriminately assassinated persons suspected of being Republicans; have tortured and shot prisoners whilst in custody, adopting the subterfuge of "refusal to halt," and "attempting to escape"; and have attributed to alleged "Sinn Féin extremists" the British assassination of prominent Irish Republicans.

3. House burning and wanton destruction of villages and cities by Imperial British Forces

under Imperial British officers have been countenanced and ordered by officials of the British Government; and elaborate provisions by gasoline sprays and bombs have been made in a number of instances for systematic incendiarism as part of a plan of terrorism.

4. A campaign for the destruction of the means of existence of the Irish people has been conducted by the burning of factories, creameries, crops, and farm implements, and the shooting of farm animals. This campaign is carried on regardless of the political views of their owners, and results in widespread and acute suffering among women and children.

5. Acting under a series of proclamations issued by the competent military authorities of the Imperial British Forces, hostages are carried by Forces exposed to the fire of a Republican Army; fines are levied upon towns and villages as punishments for alleged offences of individuals; private property is destroyed in reprisals for acts with which the owners have no connexion; and the civilian population is subjected to an inquisition upon the theory that individuals are in possession of information valuable to the Military Forces of Great Britain. These acts of the Imperial British Forces are contrary to the laws of peace or war among modern civilized nations.

6. This "terror" has failed to re-establish Imperial British civil government in Ireland. Throughout the greater part of Ireland British Courts have ceased to function; local, county, and city Governments refuse to recognise British authority; and British civil officials fulfil no function of service to the Irish people.

7. In spite of the British "terror," the majority of the Irish people, having sanctioned by ballot the Irish Republic, give their allegiance to it, pay taxes to it, and respect the decisions of its Courts and of its civil officials.

A supplementary report deals with the religious issues in Ireland in an equally plain and admirable fashion, as follows:—

Outside of a part of Ulster, Catholics and Protestants live in peace and harmony, and their political opinions are not primarily a matter of religion.

Even in Ulster, religious bigotry is not by any means wholly spontaneous, but is artificially stirred up by those whose economic and political interests are served by dividing the people.

While it obviously lies beyond our province to pass final judgment upon the various aspects of the Ulster issue, we have not only a right, but a duty as American Protestants, to denounce the degradation of religion by such pogroms as occurred last summer. Upon this we owe it to our fellow religionists, both in America and in Ulster, to speak plainly.

Those were the conclusions of these representative American citizens—the findings of a Commission, as is stated in its report, composed of American Protestants, who felt it their duty to appeal to their

co-religionists in Ulster and in the United States to put an end to the damnable state of affairs that has been in existence in Ireland since the right of the Irish people to determine their own destiny in accordance with their own ideas and aspirations has been attempted to be smothered by armed forces at the dictation of the Imperial Government. The findings of this representative American Commission have been proved up to the hilt by statements made by no less an authority than General Sir Hubert De La Poer Gough, a military officer who, at the time of the threatened Ulster rebellion in Ireland, resigned his commission sooner than be a party to using armed forces against the Ulster people. He has expressed himself in such language as the following:—

The Union has failed irrevocably, and after long trial. Law and order has given place to a bloody and brutal anarchy, in which the armed agents of the Crown violate every law in aimless and vindictive and insolent savagery. Is there a single Irishman or woman whose blood does not boil at these things, and who does not demand the end of English rule, and the right of the Irish to govern themselves?

Sir JOSEPH COOK.—I rise to order. I direct your attention, sir, to the fact that the honorable member has been reading for the last twenty minutes. He has been doing nothing but read.

Mr. CONSIDINE.—That is not true.

Sir ROBERT BEST.—Vile and hideous slanders on the Empire, too!

Sir JOSEPH COOK.—The honorable member has not made two words of comment since he rose, and I submit to you that he is not making a speech, but is taking advantage of his privileges in the House to read a document *in extenso*. For twenty minutes he has been doing nothing but read reports, and I submit that he may not do so.

Mr. DEPUTY SPEAKER (Hon. J. M. Chanter).—I followed the honorable member while he was speaking, and took it that he was reading from the report of a Commission in America. He had, however, finished his reading of that document, and had begun to speak *extempore*. He then began to read from some other document before the point of order was raised. I call the honorable member's attention to the fact that it is against the Standing Orders for an honorable member to read his own speech; but I know



of no standing order which forbids an honorable member to read extracts from other speeches, so long as they are in conformity with our rules.

Mr. CONSIDINE.—Did you say, sir, that it was against the Standing Orders for me to read my own speech?

Mr. DEPUTY SPEAKER.—Yes.

Mr. CONSIDINE.—That is what I did not do, as the Treasurer himself pointed out.

Sir JOSEPH COOK.—My complaint is that the honorable member is reading somebody else's speech.

Mr. CONSIDINE.—As you, sir, pointed out to the right honorable member, I had quoted extensively from the American Commission's report on conditions in Ireland.

Sir JOSEPH COOK.—It will make a very nice little pamphlet, will it not?

Mr. CONSIDINE.—Possibly; and I hope the right honorable member will lend me his aid in distributing it. As you, sir, have upheld my right to make my speech in my own way, so long as I do not transgress the rules of the House, I shall continue the brief quotation that I was making from the expressions of opinion of General Gough—

England has departed further from her own standards, and further from the standards even of any nation in the world, not excepting the Turk and the Zulu, that has ever been known in history before. She is doing irreparable harm to the interests of her own Empire, and to her good name, by the circulation of accounts, which are daily proved to be only too true, of what is being done in Ireland from day to day. In an impoverished bankrupt world she is recklessly adding another area of ruin and destruction.

We realize that on every ground Ireland must have full national self-government, with no greater and no other limitations than are imposed on Canada, Australia, or South Africa.

I quote the concluding portion, so as to be perfectly fair to General Gough. I draw the attention of honorable members to the tremendous advance in thought made by this general, the leader of the British Fifth Army on the Western Front, who refused in 1914 to be used by the British Government for the purpose of coercing Ulster, and who since the war has so radically revised his opinion as the result of his study of the conditions at present existing in his native land. The gentleman whom the honorable member for Kooyong (Sir Robert Best) was proud to

quote in the days preceding the war is the gentleman whom he now, by interjection, accuses of slandering the British Empire. But, of course, General Gough has advanced mentally, whereas the honorable member is still where he was in 1914.

Sir JOSEPH COOK.—Will the Irish people who are concerned in this trouble accept the suggestion of General Gough?

Mr. CONSIDINE.—I do not know; but it is for the right honorable gentleman and those who stand for British Imperialism to give the Irish people the opportunity of expressing their opinion free from military terrorism; and when the Irish people so express their opinion I will stand by it whatever it be. If they choose to remain a component part of the British Empire under a Constitution similar to that of Australia, Canada, or South Africa, who am I that I should attempt to dictate to them what they should do? If upon the other hand they desire to keep the Allies up to the conditions for which they said they fought the last war, to secure small nations from coercion, and to give them the right to determine their own destiny; that is to say, if the people of Ireland claim that they have the right to maintain the Republic they have set up and to rule their country in their own way, just as every intelligent Australian claims the right to do, according to their own ideas, free from the military domination of any Power, is there anything wrong in their doing so?

Sir ROBERT BEST.—A good deal.

Mr. CONSIDINE.—I am glad to note that the honorable member for Kooyong is the only one who thinks so. He considers these words of General Gough a slander upon the British Empire, but I could quote from a pamphlet signed by fifty British intellectuals, professors of universities and leading public men of Great Britain, a most damning indictment of British rule in Ireland, or another indictment of that rule contained in the *London Times*, of the 14th September, 1920, and signed by Ernest Barker, Philip Gibbs (knighted by the King, not for slandering the Empire, but for services during the war), Charles Gore, Hubert Gough, J. L. Hammond, L. T.

Hobhouse, Desmond MacCarthy, John Masefield, C. E. Montague, Gilbert Murray, C. P. Scott, H. G. Wells, and Basil Williams. If the honorable member for Kooyong would only peruse the sources of information I have brought under his notice, provided he is capable of doing so, he would in time advance to the stage reached by General Gough to-day.

**MR. BRENNAN** (Batman) [3.5].—I do not propose to discuss this question at length, but the motion having been moved by the honorable member for Barrier (Mr. Considine), I feel it incumbent upon myself to express my entire sympathy with the object the honorable member has in view, and generally, so far as I was privileged to hear them, with the opinions he has expressed with regard to this matter. There can be no doubt there is a growing estrangement between Great Britain and the United States of America, and there equally can be no doubt that it rests largely upon the treatment of Ireland by the present British Government. But the fact that our position as an Empire is being prejudiced in America is by no means the only or, from my point of view, the main consideration which should impel us to direct intelligent criticism to the conduct of the agents of the British Government in Ireland, because the sad truth is that the recent conduct of those agents is calculated not only to cause estrangement between America and Great Britain, but also to bring the whole of the Empire into discredit and disrepute among the civilized nations of the world. It is not too much to say that the present policy of the British Government in Ireland has not a single reputable supporter in any part of the world outside those persons who, being amenable neither to argument nor to appeal, have stood, while they can stand, merely as the open enemies of Ireland. It is a deeply regrettable and even painful thought that at this very time trials should be proceeding in Germany with respect to the treatment of British prisoners by the agents of the Central Powers. That fact tends to show up in even more searching light the conduct of the agents of the British Government in Ireland. If ever there was

a case established against a Government in the courts of public opinion, it has been against the British Government, not only by the argument of Irishmen, but in equal measure by temperately expressed judgments of thinking Englishmen. We have upon our side the patriotism and the brains of England; while on the other side are money, passion, and prejudice. The case of Ireland is quite safe, even in the view of reputable and well-informed Englishmen. The British policy in Ireland is condemned, not only in America, but also, apart from official circles, in France, Italy, and the world over, and it is so condemned because it is indefensible. The British Government do not admit that there is war in Ireland, because the practices that are taking place there to-day are not sanctioned according to the rules of civilized warfare. You, sir, must be perfectly well aware that there is no rule of civilized warfare which permits the indiscriminate destruction of property in the invaded country, and the ruthless firing into the homes and houses of the people without regard to whether or not women or children, aged or infirm, sick or well, fall victims to the bullets. It must be well known to every honorable member that there is no rule of civilized warfare which permits towns and villages to be sacked, ravaged, and destroyed in revenge for certain acts of war by the soldiery of the invaded country. The truth is that the people of this country are unfortunately largely dependent for their information upon that poisoned stream of fiction which reaches this country through the newspaper cables. But honorable members are not so dependent. They have at their call other sources of information, and if they are able to call in witness, as they ought to be able to do, the sober testimony of thinking men in every civilized country, they ought to be able to see that the conduct of the British Government in Ireland is indefensible. I suppose we shall be told, as we have been told before, that this is no concern of ours. That argument might be adduced with some colour of justification by the Republican in Australia, but it is curious that the Imperialist should say that we in Australia are not concerned with the operations of the British armies, and Black and Tans



of odious memory, in a part of the Empire itself. If I had not any association or kinship with Ireland, and I still were a member of this Parliament, I would feel it my bounden duty, as I do to-day, to lose no opportunity on the platform, or in this House, of rising in protest against what is going on there. I do not propose to tell again to-day this thrice-told tale. Ireland's claim to some kind of local autonomy has been so far established now that it is not denied even by Ireland's enemies. But at the beginning of the war, it was denied, and there are persons—amongst them the honorable member for Kooyong (Sir Robert Best), the representative and spokesman of a class—who have always been opposed to anything that has been offered to Ireland, and at whatever time it has been offered. Had the present Act, which is designed for the partition of Ireland, been submitted in 1914, to the honorable member for Kooyong, and those associated with him, they would have opposed it with all the bitterness and persistency with which they now oppose the Republican ideal, and formerly opposed the Home Rule movement. Every concession that is offered to Ireland meets with their wholesouled and bitter opposition. Hence it is to-day that they are always ready to concede something which the Irish people are no longer willing to accept. The Irish people now stand on the principle enunciated at the beginning of the war, and painted on the very moon during the course of the war—the right of self-determination, the right of Ireland as a nation to prescribe its own form of government. An election has just taken place in Ireland. It was not an election of the Irish by the Irish for the purpose of determining their form of government, but an election under conditions and for an object prescribed by a power which to-day is an alien power. And we may as well face this fact: Ireland has in a spirit of friendship and candour offered to accept her position within the Empire. She has been refused, cheated, and despised. She no longer comes asking for her place within the Empire, but comes declaring that, as there is no place for her within the Empire, she will still have her place in the sun, and without the Empire. Although the election which has been held has been conducted by an external power, and with machinery devised by that

*Mr. Brennan.*

power, it nevertheless has yielded a result which shows the overwhelming majority of the Irish people to be favorable to the Republican ideal. And yet, forsooth, we are told that Ulster, too, must have self-determination. Those who passed the Partition Act for Ireland took all sorts of care that the determination of Ulster should not be left to the people of Ulster. They selected a section of a segment of Ireland, and when they were satisfied that this section of the Irish people would be favourable to anti-Irish ideals—in other words, that theirs was the rebel stronghold against the constituted authority in Ireland—

**MR. DEPUTY SPEAKER.**—Order! The honorable member's time has expired.

**MR. HIGGS** (Capricornia) [3.18].—I very much regret the introduction of this question into the Commonwealth Parliament by the honorable member for Barrier (Mr. Considine), and I am surprised that the Deputy Leader of the Opposition (Mr. Ryan), the honorable member for Gwydir (Mr. Cunningham), the honorable member for Werriwa (Mr. Lazarini), and the honorable member for Calare (Mr. Lavelle) should be found rising in their places to give the necessary support to have the question discussed.

**MR. LAVELLE.**—The honorable member for Werriwa is not in the House, but if he were here he would support the motion. It is a pity you cannot tell the truth.

**MR. MATHEWS.**—I supported it, and I am not ashamed to say so.

**MR. LAVELLE.**—I would be ashamed of a political career similar to that of the honorable member for Capricornia.

**MR. DEPUTY SPEAKER.**—I ask the honorable member to withdraw the offensive statement he made concerning the political career of the honorable member for Capricornia.

**MR. LAVELLE.**—I regret that the honorable member's political career should be offensive.

**MR. DEPUTY SPEAKER.**—Order! The honorable member must withdraw unconditionally, and without comment.

**MR. LAVELLE.**—I do not know what I have to withdraw.

Mr. DEPUTY SPEAKER. — The honorable member made a personally offensive statement in regard to the honorable member for Capricornia. Such statements are not allowed by the rules of the House.

Mr. LAVELLE.—If I made a statement which was offensive to the honorable member for Capricornia I withdraw it.

Mr. HIGGS.—If I made a mistake in mentioning the name of the honorable member for Werriwa I apologize, but four members of the Australian Labour party rose to support the honorable member for Barrier.

Mr. BRENNAN.—If necessary, they would all have risen.

Mr. HIGGS.—They all would not have risen. One honorable member, when this matter was introduced by the honorable member for Barrier (Mr. Considine), did not come into the chamber. He stood behind Mr. Speaker's chair. I warn the honorable member for West Sydney (Mr. Ryan) and the other honorable members with whom he has been associated this afternoon, that they will break up the Australian Labour party if they permit the introduction of questions such as this into the Commonwealth Parliament. I say, as an Australian native, that, in my opinion, the majority of Australians know very little about Irish affairs. We know that there has been trouble in Ireland for a very long while; but we know also that there are 670 members of the British House of Commons, and that they are nearer to Dublin than we are to Sydney. They know all about the Irish question, and I am quite satisfied that if Mr. Lloyd George and his Government were anything like as bad as has been described by the honorable member for Barrier, if they were indulging in a policy of tyranny and iniquity, they would not remain where they are for another twenty-four hours. I have cursorily read the daily accounts of what is taking place in Ireland—and only fragmentally, because I have enough to do in the advancement of matters of Australian interest if I am to perform my duty satisfactorily to my constituents and the public generally. But I have read that the British Prime Minister described what has been occurring in Ireland as murder, and that he announced that the British Government were taking whatever

steps were deemed necessary to try to put an end to the reign of murder. The proposal of the honorable member for Barrier, and his suggestion that what is happening in Ireland is likely to disturb the amicable relations existing between the British Empire and the United States of America is a mere subterfuge adopted in order to have the subject of Ireland debated in this Parliament.

Mr. CONSIDINE.—I rise to a point of order, which is, that I did not make any such statement. I quoted from the *New York Nation*, which published the statement.

Mr. DEPUTY SPEAKER.—Order! That is not a point of order.

Mr. HIGGS.—The honorable member sought to impress the view on this House, as a fact, that there is danger menacing the British Empire, that the state of Ireland would cause strained relations between the Empire and the United States of America. I emphasize that, in my view, the honorable member introduced his motion because of the opportunity it afforded to introduce the Irish question into this Parliament; and, as an Australian native, I object to such a subject-matter being brought forward here. Honorable members like the honorable member for Barrier—the physical force revolutionist, as he described himself in this Chamber the other day, who, in pursuit of his ideals, is prepared to abolish present conditions of law and order by force of arms if he can get enough support, who believes that Ireland should be separated, as a Republic, from England—ought to go to Ireland and stay there.

There are Australian questions of seriousness and urgency confronting Australian politicians, great social questions which should engage our attention, without having the case of Ireland thrust before us in this manner. I do not believe that the majority of the people of Australia have any sympathy with the views of those Labour representatives who have spoken to-day. It is an abuse of the toleration of the Australian Labour party that members of the party should use it for such a purpose.

I spurn the suggestion of honorable members opposite that I have no sympathy with the sane and common-sense ideals of the Australian Labour party. I might have been with them yet, but



for that crowd, behind and within the Labour party, who hold opinions similar to those of the honorable member for Barrier, of that foolish secretary of the miners in Newcastle, Mr. Willis, and of other direct actionists.

Mr. LAVELLE.—Neither Mr. Willis nor the honorable member for Barrier (Mr. Considine) belongs to the Australian Labour party.

Mr. HIGGS.—The honorable member for Barrier did belong to the party; and, in that regard, I draw the attention of the public to the fact that, although Mr. Michael Patrick Considine left the Labour party, there was not a single word of reproach expressed concerning him throughout the Labour press of Australia—the *Brisbane Worker* and *Daily Standard*, the *Australian Worker*, Sydney—while the columns of those same newspapers have been filled with abuse of myself.

Mr. CONSIDINE.—That speaks volumes for my personal character.

Mr. HIGGS.—No; but, rather, the sympathy of the editors of the various Labour publications—Mr. Boote, for example, and other direct action advocates—for the Irish politics of the honorable member for Barrier. However, I will not go into that phase further, although I could furnish additional facts. I do not wish to occupy much time in discussing the motion. As I have said, there are other matters of greater importance urgently awaiting the attention of the Commonwealth Parliament. It would be wrong, however, for this Parliament to permit the honorable member for Barrier and the honorable member for Batman (Mr. Brennan) to make speeches such as they have, and to allow those utterances to go out from Australia without contradiction or challenge.

Mr. FRANCIS (Henty) [3.29].—I deem it my duty to protest against the utterances of the honorable members for Barrier (Mr. Considine) and Batman (Mr. Brennan). Those honorable members said, in effect, that the case against the British Empire has been proved by the statements of famous men throughout the world, of whom they gave a list. I say the case for the Empire has been overwhelmingly justified by infinitely greater men. I desire to express my opinion, in

brief, regarding the estrangement alluded to this afternoon between the British Empire and the United States of America. I say, deliberately, that if there is any truth in that allegation, it is due to influences brought to bear on the American people by those who speak in terms similar to the honorable members to whom I have just alluded, and who have said that they are quite willing to take their places outside the Empire. Their endeavour and ultimate aim is to sever connexion with the Empire, and it may be that the work that is now proceeding, not only in America, but elsewhere, has that object in view. The bulk of the people in the British Empire, however, are convinced that their object will not be achieved, because there is undoubted loyalty towards the British Empire on the Irish question. The position in Ireland has nothing whatever to do with this Parliament, and the motive for introducing the question into this Chamber this afternoon is doubtless to stir up among the people of the Commonwealth an atmosphere of disloyalty. Although they are living under the protection of the Union Jack, they are endeavouring to hurl it into the dust.

Mr. BRENNAN.—I desire only to sever my connexion with robbery and murder.

Mr. FRANCIS.—Right down through the ages, it cannot be said that the British Empire has ever associated itself with murder or brutality; it has always stood for those things which make for the harmony and peace of the people. All loyal members of the British Empire must record their emphatic protest against the statements which have been made by those honorable members who have supported the motion, and it is our duty to let the people of Australia know that, notwithstanding the opinions expressed this afternoon, there are others in this chamber who are prepared to defend the Empire against abuse, and the attempt to belittle it on the Irish question.

Mr. MATHEWS (Melbourne Ports) [3.34].—It is not my intention to address myself to the motion before the House at great length, because honorable members already know my opinion on the Irish question. I think it is generally understood that the position in Ireland is largely responsible for the strained relations existing, not only between Great Britain and America, but between Great

Britain and other countries. The position in Ireland has brought Great Britain to the verge of war, and it is still doing so.

Sir JOSEPH COOK.—Brought what?

Mr. MATHEWS.—The position in Ireland is bringing America and England to the verge of war.

Sir JOSEPH COOK.—That is ridiculous.

Mr. MATHEWS.—It is not. Any reader of Irish history realizes that for generations the Irish people have been seeking independence, which has been refused owing to the crass stupidity of the people of Great Britain.

Mr. MCGRATH.—Not the people.

Mr. MATHEWS.—I blame the people for not carrying out the proposal just as I blame the people of Australia for submitting to the present intolerable economic conditions. The honorable member for Capricornia (Mr. Higgs) has endeavoured to justify the action of the British agents in Ireland; but that honorable member has twice voted in this House for the principles which he now denounces.

Mr. FOLEY.—But not for what they are now asking.

Mr. MATHEWS.—It would have been better to give the Irish people Home Rule when they wanted it, and it would be preferable to grant them a Republic rather than allow them to form one by force.

Mr. HIGGS.—I did not vote for a Republic.

Mr. MATHEWS.—The honorable member supported Home Rule.

Mr. HIGGS.—I voted for local government, not a Republic.

Mr. MATHEWS.—Who has broken up the Empire?

Mr. JOWETT.—Is the Empire broken up?

Mr. BRENNAN.—It is only under a cloud.

Mr. JOWETT.—A cloud of the honorable member's imagination.

Mr. MATHEWS.—The British Empire is under a cloud as the result of her treatment of the Irish people. Whenever this question is discussed, the sectarian issue is introduced.

Mr. FOLEY.—No one has spoken of the religious element to-day.

Mr. MATHEWS.—The honorable member for Kalgoorlie (Mr. Foley) may

not know as much as I do concerning the opinions held by honorable members of this Chamber. It has been said that Home Rule for Ireland means Rome Rule, but it does not mean anything of the sort; because, if Home Rule had been granted to Ireland, there would not have been bitter religious controversy, but merely contests between the capitalists and the workers, such as we have here. The religious element has been introduced with the idea of bolstering up landlordism in Ireland. During previous discussions on this topic much has been said of loyalty to the Empire; but have the loyalists ever helped the workers? No. The so-called loyalists are always on the side of the capitalistic section of the community.

Mr. FOLEY.—Rot!

Mr. MATHEWS.—On hearing the remarks of some honorable members, one would think that those who are in favour of Home Rule, or the formation of an Irish Republic, were reared in a certain religious atmosphere. I was not, and honorable members know it. I am sorry that this matter has been introduced into this Chamber; but, whenever it is, it is my intention to express my opinions. It would have strengthened the British Empire if Ireland had been given Home Rule, and it would strengthen it now if the British Government would allow the Irish people to establish a friendly Republic rather than allow matters to drift, which will result in the formation of a Republic antagonistic to British ideals and aspirations. The demands of the Irish people have been refused merely to protect the interests of landlordism.

Mr. FOWLER.—Does not the honorable member know that the interests of Irish landlords were purchased with £200,000,000 of British capital?

Mr. MATHEWS.—I know that. I have read a good deal on the Irish question, and many of those who speak of loyalty have said that it would be better to grant the Irish people Home Rule than allow the country to be a drag on the British people. It is a question of whether the British Empire is to be forever saddled with the trouble that now exists. We all desire to know when peace will be restored, and when the interests of the general community in Ireland will not be



subordinate to those of the capitalistic class. We will never have a united Empire, which we so much desire, while the people of Ireland are being so shamefully treated. Do honorable members really believe that peace can be restored under the present policy? The sooner the people realize the position, and allow the question of loyalty to stand aside in deciding the issue, the better it will be. Some may think that this is a sectarian question; but I remind honorable members that Devlin was returned as a member for Ireland for an Orange constituency. Why? The people know his opinions.

Sir ROBERT BEST.—He is not a Republican.

Mr. MATHEWS.—The honorable member says that he is not a Republican, but we know that he would not give the people of Ireland Home Rule. He has always been against doing so. He would not give them even the measure of Home Rule which the people of Australia enjoy. It is the pig-headedness and stupidity of the honorable member and those with whom he is associated that have brought about the present position, and they have used the question always to serve their own purposes. I am sorry that it should be necessary to introduce the question into the Parliament of Australia, but I say that the trouble in Ireland has its reflection in Australia, and throughout the Empire. It would be better for Australia if the trouble were put to an end, and there is only one way of stopping it, and that is by giving the people of Ireland what they desire. I, as a representative of the people in this House, say that the Irish should be given their rights, and the man who says that they have no rights is unworthy of membership of a Parliament such as we have here to-day.

Question.—That the House do now adjourn—put. The House divided.

Ayes .. .. .	9
Noes .. .. .	36
Majority .. ..	27

#### AYES.

Brennan, F.	Moloney, Parker
Cunningham, L. L.	Ryan, T. J.
Lavelle, T. J.	<i>Tellers:</i>
Maloney, Dr.	Considine, M. P.
Mathews, J.	Page, James.

#### NOES.

Atkinson, L.	Higgs, W. G.
Bamford, F. W.	Hill, W. C.
Bayley, J. G.	Jackson, D. S.
Bell, G. J.	Jowett, E.
Best, Sir Robert	Lamond, Hector
Blundell, R. P.	Lister, J. H.
Bowden, E. K.	Livingston, J.
Cameron, D. C.	Mackay, G. H.
Cook, Sir Joseph	Marks, W. M.
Cook, Robert	Marr, C. W. C.
Corser, E. B. C.	Rodgers, A. S.
Foley, G.	Ryrie, Sir Granville
Foster, Richard	Smith, Laird
Fowler, J. M.	Stewart, P. G.
Francis, F. H.	Wise, G. H.
Gibson, W. G.	
Greene, W. M.	<i>Tellers:</i>
Gregory, H.	Burchell, R. J.
Groom, L. E.	Story, W. H.

Question so resolved in the negative.

### COMMONWEALTH BANK.

#### TENDERS FOR COLLINS-STREET BUILDING.

Dr. MALONEY asked the Minister for Works and Railways, *upon notice*—

Will he supply the following information:—The names of tenderers for the Collins-street building for the Commonwealth Bank, the amount of each tender, and the time required by each tenderer to do the work?

Mr. GROOM.—The Bank employs its own architect, and the Department of Works and Railways has not anything to do with the design or erection of the building referred to.

### BURNETT LAND SETTLEMENT SCHEME.

Mr. RYAN asked the Acting Prime Minister, *upon notice*—

1. What were the expenses incurred in connexion with Mr. Gullett's inspection of and report on the Burnett land settlement scheme?

2. What was the reason for the Commonwealth authorities having such an inspection and report made?

3. Is it the intention of the Commonwealth Government to take any steps to facilitate the making available of the large areas of Crown lands in the Burnett district for settlement purposes?

Sir JOSEPH COOK.—The answers to the honorable member's questions are as follow:—

1. The expenses incurred by the Commonwealth in connexion with this matter amounted to £37.

2. In connexion with the immigration proposals of the Commonwealth and States, it was represented that the ability of Queensland to absorb any considerable number of immigrants

depended upon the opening up of further areas of land for settlement. The Queensland Government intimated that there was a large tract of suitable land in the Northern Burnett and Callide Valley districts suitable for agricultural holdings, but that Queensland would require a loan of £2,000,000 to be used in the construction of railways and roads to make this land available. The Superintendent of Immigration was directed to inspect and report on the proposal prior to the Government giving consideration to the matter.

3. It is very much regretted that at the present moment the Commonwealth Government have not money available to lend to the Queensland Government for this purpose.

### FEDERAL CAPITAL.

Dr. MALONEY asked the Minister for Works and Railways, *upon notice*—

1. How many architects, engineers, surveyors, draughtsmen, clerks of works, and clerks are engaged on the Federal Capital work in the Departments of Home and Territories and Works and Railways, and at Canberra?

2. What are their names, status, present salaries with allowances (including travelling and other expenses), and the countries of their birth?

Mr. GROOM.—I shall obtain the information and lay it upon the table of the House.

### TRADE WITH GERMANY.

Mr. MATHEWS (for Mr. RYAN) asked the Minister for Trade and Customs, *upon notice*—

1. In view of the fact that German wool buyers are attending wool sales in Brisbane and buying large quantities of our wool, will the Minister say when the present embargo on the importation of goods from Germany will cease?

2. Are the regulations prohibiting the delivery of price-lists, newspapers, &c., from Germany still in operation?

3. If so, when is it expected to again permit delivery?

4. If not, why are these articles being held up in the different States?

5. When is it intended to again permit the public to send remittances to Germany and other late enemy countries without first obtaining permission of the Public Trustee?

Mr. GREENE.—The answers to the honorable member's questions are as follows:—

1. The whole matter is under consideration, pending certain inquiries by the Prime Minister in England, but it is hoped to arrive at a decision shortly.

2. Yes.

3 and 4. When trade is resumed.

5. When the Clearing House scheme for the settlement of debts is so far advanced as to preclude the settlement of pre-war debts by direct remittance.

### AUSTRALIAN NOTE AND COAT OF ARMS.

Mr. WEST (for Mr. J. H. CATTS) asked the Acting Prime Minister, *upon notice*—

1. Is it proposed to delete from the Australian note the Australian Coat of Arms and substitute some Imperial emblem?

2. If so, why?

Sir JOSEPH COOK.—I am not aware of any proposal in the direction indicated.

### ANGLO-PERSIAN OIL COMPANY.

Mr. GIBSON (for Mr. McWILLIAMS) asked the Acting Prime Minister, *upon notice*—

1. Is it a fact, as reported in the press, that the agreement between the British Government and the Anglo-Persian Oil Company has fallen through?

2. If so, how does this affect the agreement entered into between the Anglo-Persian Oil Company and the Commonwealth Government?

Sir JOSEPH COOK.—The answers to the honorable member's questions are as follow:—

1. It is not a fact.

2. See answer to question No. 1.

Mr. GIBSON (for Mr. McWILLIAMS) asked the Acting Prime Minister, *upon notice*—

1. Has the Commonwealth Government given the Anglo-Persian Oil Company a monopoly over the whole of Papua and British (late German) New Guinea to search for oil?

2. If not, why is permission to prospect or licence to search for oil in such territory refused to Australians and other British subjects?

Sir JOSEPH COOK.—The Commonwealth Government has not given the Anglo-Persian Oil Company any monopoly. Experts supplied by the Anglo-Persian Oil Company, under the terms of the agreement entered into between the British Government, the Commonwealth Government, and the company in question, have been carrying out investigations in Papua, and are now similarly employed in the New Guinea Territory, with a view to the discovery and development of oil fields. Until these investi-



gations have been completed, the Government is unable to formulate its policy in connexion with the question of oil development in the Territories.

## AUSTRALIAN FLAG.

### PRESENTATION TO FRENCH GOVERNMENT.

Mr. LAVELLE (for Mr. J. H. CATTS) asked the Acting Prime Minister, *upon notice*—

1. Did the Prime Minister present an Australian Flag to the French Government?
2. Why did he not present a Union Jack?

Sir JOSEPH COOK.—The Imperial League of Australian Sailors' and Soldiers' Womenfolk handed to the Prime Minister before his departure an Australian flag which they asked him to present to the city of Amiens. The presentation is to be made as a tribute from the womenfolk of the sailors and soldiers of Australia to the women of France.

### COMMONWEALTH INSURANCE COMPANY.

Mr. CHARLTON (for Mr. RILEY) asked the Acting Prime Minister, *upon notice*—

1. Has a private insurance company, calling itself the Commonwealth Insurance Company, been started in Sydney, the head of such company calling himself the "Governor"?
2. If so, will he take immediate steps to prevent this private concern wrongfully using the name of the Commonwealth?
3. Will he prevent the head of this company calling himself the "Governor"?
4. Will he endeavour to find out the names of the directors of this company?

Sir JOSEPH COOK.—The Commonwealth has no power to control this company unless the whole or part of its capital is subscribed outside the British Empire. Inquiry will, however, be made regarding the constitution and *personnel* of the company.

## ANGLO-JAPANESE ALLIANCE.

### ATTITUDE OF AUSTRALIA.

Mr. WEST (for Mr. J. H. CATTS) asked the Acting Prime Minister, *upon notice*—

1. Has he seen the statement in the *Sydney Morning Herald* in last Saturday's cable news from the *Morning Post* to the effect that Aus-

tralia demands the renewal of the Anglo-Japanese alliance as essential to Australian interests?

2. Will he see that Australia is not misrepresented on this matter in England and America?

3. Will he also see that the public in these countries are informed that neither the Parliament nor the people of Australia have ever intimated in any way that they demand the renewal of this alliance?

Sir JOSEPH COOK.—The answers to the honorable member's questions are as follow:—

1. Yes.

2 and 3. The speech delivered by the Prime Minister in this House on 7th April, which dealt, *inter alia*, with the Anglo-Japanese alliance, has received such publicity that it is not thought that any misunderstanding as to Australia's position in the matter can arise.

## SILESIAN DISPUTE.

### SPEECH BY PRIME MINISTER.

Mr. WEST (for Mr. J. H. CATTS) asked the Acting Prime Minister, *upon notice*—

1. Has the Government given any attention to the alleged interference of the Prime Minister in the Silesian dispute, referred to by the *Westminster Gazette* as "the greatest possible disservice to Imperial unity"?

2. Is it the policy of the Government that the Prime Minister should, on its behalf, interfere in the affairs of Great Britain?

Sir JOSEPH COOK.—The answer supplied to me is that consideration has not been given to this matter by the Government. I should like to supplement that formal reply by saying that, as I understand it, what occurred was this: There had been a debate in the French Chamber of Deputies, in which M. Briand, the French Premier, had been accused of being more or less under the complete control of Mr. Lloyd George. He had been accused in the French Chamber of being too compliant, and of not being sufficiently insistent on France's rights in his relations with the British Government. When, therefore, the Prime Minister of the Commonwealth (Mr. Hughes) felicitated the French Premier and expressed his gladness at the result of the debate, he did nothing, so far as I can see, that gives any Imperial newspaper the right to chastise him for interfering in connexion with Silesian matters.

## PROPERTY OF GERMAN NATIONALS.

Mr. GREENE.—On the 20th ult., the honorable member for Corio (Mr. Lister) asked the Minister for Trade and Customs the following question, *upon notice*:—

1. Will he inform the House whether the Government have adopted the principle of the Clearing House for the settlement of debts as against the future indemnity to be paid by Germany as set out in the Peace Treaty?

2. What steps have been taken in the Commonwealth to put such policy into effect?

3. Has the property of German nationals in Australia in the possession of the Public Trustee been realized, and to what extent; and what remains to be realized?

4. What is the amount of the credit in respect of the German property taken possession of by the Public Trustee as against the indemnity due by Germany to Australia?

5. What will be the total amount of the credit to be given to Australia by the realization of properties belonging to German nationals in Australia?

6. What steps have been taken to advise the British Government of the policy of the Commonwealth Government?

I replied that as far as possible the information was being obtained. I am now in a position to furnish the honorable member with the following information:—

1. The Government has adopted the principle of the Clearing Office for the settlement of debts between German nationals resident in Germany, and British nationals resident in the Commonwealth. Any balance remaining in favour of Germany will, in due course, be reckoned as a credit to Germany in respect of her reparation obligations.

2. A Clearing Office was established in Australia in April, 1920.

3. The property in Australia of German nationals resident outside the Commonwealth has been vested in the Public Trustee, and is in process of realization.

According to the latest figures available, £1,040,812 15s. 1d. is the total amount held by the Commonwealth Government in respect of the realization of the property of German, Austrian, Hungarian, Bulgarian, and Turkish nationals.

This total is made up as follows:—

Held in Australia as at 30th April, 1921 .. .. .	£480,650 18 5
Held in London as at 31st December, 1920 .. .. .	560,161 16 8
Total .. .. .	£1,040,812 15 1

It cannot be stated exactly at present how much of this total is in respect of the property of German nationals, and how much is in respect of the property of other ex-enemy nationals.

It is estimated, however, that about £1,000,000 out of the £1,040,812 15s. 1d. represents the proceeds of realization of the property of German nationals.

The property of German nationals remaining to be realized is considerable, but its value cannot be furnished with any degree of accuracy prior to realization.

4 and 5. See answer to No. 3.

6. The Commonwealth Government's policy was communicated to the Secretary of State for the Colonies as follows:—

*Re adoption of Clearing Office system.*—In January, 1920.

*Re retention of property in Australia of German nationals resident outside Commonwealth.*—In December, 1920.

## CASE OF MRS. FARR.

Mr. WISE.—On the 26th May the honorable member for South Sydney (Mr. Riley) asked a number of questions respecting the case of Mrs. Farr, and he was informed that inquiries were being made on certain points relating to that lady's entrance into the Commonwealth, and the arrangements made for her maintenance and hospital treatment while in Australia. I am now in a position to state that—

Mrs. Farr arrived in Sydney from New Zealand on the 6th September, 1915. Her case did not come under the notice of the Quarantine Medical Officer or the Customs authorities at the time of her landing, and no action was consequently taken under the Immigration Act.

It is reported that prior to her arrival from New Zealand, negotiations were carried on by her husband with the Reverend Mother Superioress of the Mount St. Margaret's Mental Hospital, Ryde, and that when she landed at Sydney she was taken straight to that institution. She remained as a patient of the Mount St. Margaret's Hospital from the 6th September, 1915, till the 9th January, 1921, although she was allowed during that period to go for several long visits to the country, under the care of a trained nurse. In January last she was transferred to the Gladesville (State) Mental Hospital.

It has been ascertained that the cost of Mrs. Farr's maintenance and treatment at Mount St. Margaret's Hospital has been defrayed by her husband, Professor Farr, who is also paying the cost of her maintenance at the Gladesville Hospital, where she is still an inmate. In the circumstances, it is not proposed to take any action under the Immigration Act in this case unless the State Government make a request, and show cause which would render such action desirable.

## PAPERS.

The following papers were presented:—  
Northern Territory—Ordinance of 1921—  
No. 6—Supreme Court (No. 2).  
Papua—Ordinance of 1920—No. 15—  
Criminal Code Amendment.



## WAYS AND MEANS (Formal).

Question—That Mr. Deputy Speaker do now leave the chair, and that the House resolve itself into Committee of Ways and Means—proposed.

Sir JOSEPH COOK (Parramatta—Acting Prime Minister and Treasurer) [3.56].—In order that we may get on with some business, I move—

That the debate be now adjourned.

Mr. JAMES PAGE.—On the question that the debate be adjourned—

Mr. DEPUTY SPEAKER (Hon. J. M. Chanter).—Order! The question cannot be debated.

Mr. JAMES PAGE.—Do you think you will get any further ahead by taking this course, and depriving us of the opportunity to discuss grievances? I for one will see that you do not.

Sir JOSEPH COOK.—Please yourself about that.

Mr. JAMES PAGE.—We will have to deal with grievances by means of special adjournment motions. I will give you an adjournment to-morrow!

Mr. DEPUTY SPEAKER.—Order!

Question put. The House divided.

Ayes .. .. .	35
Noes .. .. .	17

Majority .. .. .	18
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## AYES.

Atkinson, L.  
Bamford, F. W.  
Bayley, J. G.  
Bell, G. J.  
Best, Sir Robert  
Blundell, R. P.  
Bowden, E. K.  
Cameron, D. C.  
Cook, Sir Joseph  
Cook, Robert  
Corser, E. B. C.  
Foley, G.  
Foster, Richard  
Fowler, J. M.  
Francis, F. H.  
Gabb, J. M.  
Gibson, W. G.  
Greene, W. M.

## NOES.

Anstey, F.  
Brennan, F.  
Catts, J. H.  
Charlton, M.  
Considine, M. P.  
Cunningham, L. L.  
Lavelle, T. J.  
Mahony, W. G.  
Mathews, J.

Gregory, H.  
Groom, L. E.  
Higgs, W. G.  
Jackson, D. S.  
Jowett, E.  
Lamond, Hector  
Lister, J. H.  
Livingston, J.  
Mackay, G. H.  
Marks, W. M.  
Marr, C. W. C.  
Rodgers, A. S.  
Ryrie, Sir Granville  
Smith, Laird  
Wise, G. H.  
Tellers:  
Burchell, R. J.  
Story, W. H.

Question so resolved in the affirmative.

Debate adjourned.

Motion (by Sir JOSEPH COOK) put—

That the Committee have leave to sit forthwith.

The House divided.

Ayes .. .. .	34
Noes .. .. .	14

Majority .. .. .	20
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## AYES.

Atkinson, L.  
Bamford, F. W.  
Bayley, J. G.  
Bell, G. J.  
Best, Sir Robert  
Blundell, R. P.  
Bowden, E. K.  
Cameron, D. C.  
Cook, Sir Joseph  
Cook, Robert  
Corser, E. B. C.  
Foley, G.  
Foster, Richard  
Fowler, J. M.  
Francis, F. H.  
Gabb, J. M.  
Gibson, W. G.  
Greene, W. M.

Gregory, H.  
Groom, L. E.  
Higgs, W. G.  
Jackson, D. S.  
Jowett, E.  
Lamond, Hector  
Lister, J. H.  
Livingston, J.  
Mackay, G. H.  
Marr, C. W. C.  
Rodgers, A. S.  
Ryrie, Sir Granville  
Smith, Laird  
Wise, G. H.

## Tellers:

Burchell, R. J.  
Story, W. H.

## NOES.

Brennan, F.  
Catts, J. H.  
Charlton, M.  
Considine, M. P.  
Cunningham, L. L.  
Lavelle, T. J.  
Mahony, W. G.  
McDonald, C.

McGrath, D. C.  
Riley, E.  
Watkins, D.  
West, J. E.

## Tellers:

Moloney, Parker  
Page, James

Question so resolved in the affirmative.

## TARIFF.

In Committee of Ways and Means:

Consideration resumed from 1st June (vide page 3782):

## DIVISION VI.—METALS AND MACHINERY.

\*Motive power, engine combinations, and power connexions are dutiable under their respective headings when not integral parts of machines, machinery, or machine tools.

Item 136—

Iron and Steel—

(A) Pig iron, per ton, British 20s., intermediate 30s., general 40s.

Upon which Mr. WATKINS had moved, by way of amendment—

That the following words be inserted after sub-item A:—"and on and after 3rd June, 1921, per ton, British, 30s.; intermediate, 45s.; general, 60s."

Mr. WATKINS (Newcastle) [4.10].—

I understood that the Minister would

make a statement to-day about this particular set of duties, and therefore I shall defer the few remarks I wish to offer in reply to some of the incorrect assertions that we have heard during the discussion.

**Mr. GREENE** (Richmond—Minister for Trade and Customs) [4.12].—The item now under consideration affects an industry of vast importance, one that is important in many respects and for many reasons. The manufacture of iron and steel has been referred to repeatedly during the debate as a key industry; it is more than that, it is a basic industry, without which all others would cease to exist. It is, to use the word in its broadest sense, the primary industry. Without its productions, the farmer could not till his field, the miner could not win wealth from the earth. All industries are dependent on it.

**Mr. GREGORY**.—And, therefore, may be gravely affected by the action now to be taken by this Committee.

**Mr. GREENE**.—I shall come to the effects of the duties shortly. To complete what I was saying about the importance of the iron and steel industry, let me add that it is essential to the defence of the country and the preservation of our national existence. In view of the lessons of the war, Australia should be prepared to pay whatever price it will cost, even if that were infinitely greater than I believe it will or should be, to secure the establishment of this industry on such a sound basis that there can be no question of its future prosperity and progress. One contemplates almost with amazement what has already been accomplished in the last few years. In the year before the war Australia imported 54,198 tons of pig-iron and produced 66,868 tons, her consumption then being about 120,000 tons a year; but in 1920 our production and consumption was 345,000 tons, or practically three times as much. Then, in 1913, we imported 65,000 tons of steel ingots and blooms, which was our consumption for the year, because we were not then manufacturing steel. It was not until 1917 that steel billets were being turned out at Lithgow, the Broken Hill Company producing them a little later. In 1919 the Broken Hill Company produced 176,843 tons of steel ingots, 31,003 tons of billets, and 2,085 tons of

blooms. I have not Messrs. Hoskins' figures for that year, but in 1917 their firm made 19,667 tons of steel ingots. Thus our consumption of steel, as well as that of pig-iron, is now about three times what it was immediately before the war. That shows not only how great has been the development of our iron and steel industry, but also how many other of our industries have developed.

**Mr. MARR**.—What were our importations during the interval?

**Mr. GREENE**.—They were a bagatelle; we could not get what we required. The industries of this country were crying out for the raw material of machinery and building operations, and our external supplies of it were virtually cut off. During the last year of the war we imported only 874 tons of pig-iron, most of which came from the United States of America. Had not our iron and steel industry been established as it was just before the outbreak of war, what would have been the position of Australia when transport from other countries was interrupted, and we were almost entirely deprived of supplies from our ordinary sources? We should be deeply thankful that an industry was established before the war which, during the struggle, was able to meet what had been our normal requirements, and also, to a large extent, the increased demand created by the war. Not only did it provide Australia with what Australia would have had to go without during that period, but it also effected, as far as the community was concerned, an enormous saving. I have the figures, worked out in detail, as to the prices that were charged by the Broken Hill Company for all their main products for every year of the war.

**Mr. GREGORY**.—Can you give us any of the pre-war prices for the purposes of comparison?

**Mr. GREENE**.—I have not got them here at the moment. In any case, that is not the point I am making. Not only was the fact that these industries were established during the war of immense assistance to Australia, but they also saved this country many millions of pounds. It is almost impossible to conceive that, if this industry had not been established, we should have been able to get our requirements, and certainly



we should never have got them to anything like the same extent that the local companies were able to supply them. But even had we been able to import to the same extent as the local companies were able to supply our requirements, and had we paid the prices which the rest of the world had to pay for those products, we should have been many millions out of pocket.

Mr. HECTOR LAMOND.—And that money would have gone to develop the industries of other countries and not our own.

Mr. GREENE.—What the honorable member suggests is perfectly correct. I have here the figures for rails and fish-plates, blooms, channels, beams, angles, (heavy, light and bulb), rounds, flats, squares, rods, billets, and pig iron. The comparisons have been worked out with the utmost care. The prices for other countries are taken from their published periodicals—the *Ironmonger* in England, the *Iron Age* and the *Statist* in America. There is no question of the authenticity of the figures. For the local statistics I have had to rely on the Broken Hill Company's own figures, which I asked them to give me, showing the actual amounts of the various products which they supplied, and their prices at the works for all the goods. These figures show that, as between the American prices landed c.i.f. in Australia and the prices in Australia, in the years 1915 to 1920, the net saving to the people of this country from the Broken Hill works alone was £4,371,724. The amount of iron and steel turned out by Hoskins at Lithgow is, roughly, about one-third of the output of the Broken Hill works, and inasmuch as Hoskins were selling in competition with the Broken Hill Company, one can safely assume that their prices were similar, and that we should therefore add one-third of that amount to arrive at the actual net savings to the people of this country. That is to say, we must add, roughly, £1,500,000 to the £4,371,724, thus ascertaining a net saving of very nearly £6,000,000. I have the same detailed statements worked out to show the comparison with England. I find that, compared with the English prices, the amount of savings to the people of this country over the same period in regard to the Broken Hill Company's works alone was £6,321,621. That of itself seems to

me to be as fine a recommendation as one can give to the people of this country for the establishment of the industry here.

Mr. GABB.—Are those departmental figures, or the firm's figures?

Mr. GREENE.—I have had the figures checked, so far as one can check them, from the various periodicals which publish price-lists in Great Britain and America, while for the local prices I have had to depend on the records of the company's office.

Mr. GREGORY. — Are your figures departmentally prepared?

Mr. GREENE. — All I can say is that they have been carefully checked.

Mr. GREGORY. — Have they been prepared by the Chamber of Manufactures, or by your Department?

Mr. GREENE.—I will tell the Committee frankly what I did. I knew that the products of the Broken Hill Company and of Messrs. Hoskins Limited had been sold in Australia much below the world's prices, and I knew, of course, broadly speaking, that this must have meant a very great saving to the people of Australia. I asked the management of the Broken Hill Company to give me their figures, so that, by taking the figures for other countries from the various trade journals, and ascertaining the average of prices over the various periods, I might be able to arrive at the difference, and thus find the saving to the people of Australia. That was done.

Mr. HECTOR LAMOND.—Do those figures cover iron and steel only?

Mr. GREENE.—They cover only the items I have mentioned.

Mr. HECTOR LAMOND. — There is another big saving in connexion with the subsidiary industries.

Mr. GREENE. — As the honorable member points out, this is only the beginning of the thing, because these products are used again in the manufacture of many articles of commerce. So we get a further saving, inasmuch as we are working on a lower outlay cost, when the manufacturer and the merchant come to put on their profits. Therefore, while there is this large saving on the rough products of the iron and steel industry, if one may so term them, there is a further saving when we consider the products manufactured from them.

Mr. BOWDEN. — The converse is also true, that if you put up the price of the raw material you put it up in the subsidiary industries, too.

Mr. GREENE.—There is no doubt about that. I have put these broad considerations before the Committee, because it is essential not only that we should recognise the necessity for the industry here, but also that we should have some idea of the tremendous advantages which Australia has already reaped from its establishment in our midst, never losing sight of the fact that the safety and security of the country absolutely depend upon its definite establishment, progress, and perpetuity in Australia.

It is when we regard the question of perpetuity that we come down definitely to the consideration of the degree of protection that we should give to the industry in its comparative infancy. It has had during the war a marvellous opportunity to grow and develop, an opportunity which, in normal circumstances, it would never have secured. Australia has every reason to be grateful that there were men in this country prepared in the circumstances to risk the enormous amount of capital involved in the industry, and to press ahead in the belief that the people would recognise the immense service that had been rendered to them, and would be prepared also to see that they were given reasonable assurance enabling them to carry on hereafter the good work that they had begun.

That brings me to the consideration of the peculiar conditions under which the iron and steel industry must exist if it is to continue. I do not know any industry which provides a better example of the absolute necessity for continuity of operations, and mass production. The key to the whole position lies in the fact that the iron and steel industry must have continuity of operations, and mass production, if there is to be the slightest hope of success. Unless we can secure those two things, there is not the remotest chance of maintaining the industry against the great established Steel Combines, world wide in their operations, of which honorable members have some knowledge. Consequently, in anything we do here, we must be reasonably certain that what we do will secure those two objects. We must be reasonably assured that the protection we

give will afford this great enterprise an opportunity to go steadily on with the work it is doing, because, if there is to be any interruption in the operations, if they are to be submittted from time to time to a competition which will put out the fires in the blast furnaces, because they cannot produce in competition, we shall arrive at a position where it will be utterly impossible for the industry to continue. Not only must we take all reasonable action to prevent this, but we must also see to it that those allied and kindred industries which depend upon the blast furnaces for their supplies, and which the blast furnaces depend upon to take their products, are likewise protected in such a manner that we shall get continuity of operations both in the blast furnaces and the subsidiary industries. There is the whole picture, if honorable members will so regard it. Not merely must we keep the blast furnaces continually going, keep the metal continually moving from the blast furnaces in its molten state to the still furnace, and keep the steel ingot when it is cast in its red hot state going straight to the mills to be worked into the various forms that the trade requires, but we must also see that the industries which take in these sections, whatever they may happen to be, are also in a position to produce continuously. The industry is like a huge machine into which at one end is poured the pig iron, and out of the other is obtained the finished product. It must be in continuous operation, otherwise there is not the slightest chance of placing the iron and steel industry on a sure footing in this country.

One has so much material in connexion with a subject of this nature that it is somewhat difficult to select just that which may be most suitable for the occasion.

Mr. CONSIDINE.—It was supplied free of charge, too, was it not?

Mr. GREENE.—I can only tell the honorable member for Barrier that much of the information I have on this important subject is the result of a great deal of study and hard work.

Mr. CONSIDINE.—I have no doubt about that; but much of the material was supplied free, for I got some of it.

Mr. GREENE.—If the honorable member had spent as many hours and



weeks as I have in the study of this industry he would probably know as much as and perhaps more about it than I do myself. I have tried, because I recognise its tremendous importance to the welfare of the Commonwealth, to make myself acquainted with the industry in all its ramifications, and I have endeavoured, from the facts presented to me, to determine, in the circumstances, what is a reasonable amount of protection to extend to it, in order that it may be carried on here under satisfactory conditions.

This brings me to the point which I was about to mention when the honorable member interrupted me, namely, as to the manner in which the industry has been established in other countries. As far as I have been able to gather from a close study of the question, the iron and steel industry has not been established in any country in the world except under a Protective Tariff. Great Britain herself adopted methods of protection which, I venture to say, this Committee would not look at for a single moment.

Mr. HECTOR LAMOND. — They were drastic measures.

Mr. GREENE.—They were, indeed, very drastic, and applied not only to the material, but also to the men engaged in the industry. In this way Great Britain established herself in a position of pre-eminence in the early days of the iron and steel industry under comparatively modern methods of production.

Mr. GREGORY.—What was the position of her opponents?

Mr. GREENE.—It is true her opponents had not reached that stage of development now reached by the opponents of the Australian iron and steel industry, and because of this fact one is amazed that Great Britain adopted such drastic measures to establish the industry in the Mother Country.

Mr. GREGORY.—This is the first time I have heard that Great Britain built up her industries by Protection, although I am aware that she had Protective duties.

Mr. GREENE.—I was astonished myself, when I studied the history of the iron and steel industry in Great Britain, to learn of the methods by which the Mother Country established her pre-eminence in the early days of the industry. The first country to definitely chal-

lenge Great Britain's position was the United States of America, which built up the industry there under a Protective Tariff so high that I almost blush at the moderation of the request to which I am now asking the Committee to agree! The honorable member for Dampier told us last night that the United States of America had these items on the free list.

Mr. GREGORY.—No; I quoted the items which I said were free.

Mr. GREENE.—I am talking of the particular items now before the Committee. It is quite true that they are to-day on the United States of America free list, because that country, as the result of a continued policy of high Protection, has so developed the iron and steel industry that it is now in an unassailable position, no longer requiring Tariff protection. That is my conception of the proper operation of a Protective Tariff.

Mr. STEWART.—Will you hazard a guess when we shall reach that happy position?

Mr. GREENE.—I say that, if we enjoy for the same duration of time—from 1874 to 1897—a term of twenty-three years of solid and continuous high Protection on these particular items, we may expect them to be sufficiently well established. We cannot then expect to be able in the short period that this industry has been in operation in Australia to throw it open to the competition of the whole world. This would be a disastrous policy for many reasons, some of which I have endeavoured to place before the Committee. In my judgment, we are not asking for excessive duties. I agree with the honorable member for Dampier that there is a point beyond which it is not desirable to go. I agree that it would be midsummer madness to force up wages in this country to a point at which it would be impossible for Australia, which, after all, is only one country in the world, in its economic relationships with other countries, to maintain her position. But I entirely disagree with the proposition put forward by the honorable gentleman last night, if I understood him aright, that we must make the industrial conditions here such as will enable us to compete with the nations of the world, for surely we have set up a standard of living, with regard to the workers of this

country, infinitely better than that obtaining in many other countries.

MR. GREGORY.—I made it clear that my remarks were directed to the British preferential Tariff. As far as the other countries are concerned, I do not care what duty is imposed.

MR. GREENE.—I took particular notice of the honorable member's remarks, because, as far as I understand the position, we have a standard of living which is appreciably better than that in many other countries that come into competition with us, including Britain herself, and I think we should endeavour to maintain that standard. If to do that it is necessary to have Protective duties, we should impose them without the slightest hesitation.

MR. JAMES PAGE.—Will you indicate what you intend to do in regard to the manufacture of steel plates for ship building?

MR. GREENE.—I shall refer to that matter later on. The honorable member for Dampier also said something about the natural protection which this industry enjoyed.

MR. GREGORY.—I said I would not deal with that particularly, because it was only a small item.

MR. GREENE.—I point out that the Inter-State Commission, in its report on the industry, which the honorable member quoted last night, expressed the view that this natural protection is an absolute myth. It stated—

It is a commonly accepted fact, confirmed by the evidence that pig iron has been imported in considerable quantities as ballast at very cheap freights. This may not apply so much to China and India, although, during the war, conditions have existed which have enabled cheap freights to offer from India. There are no other imports that can command so low an inward freight; and, as the competition in price and freight is most keen from those countries where labour cost is not more than half what it is in Australia, it means that the Australian iron manufacturer has no natural protection in freight and charges, and has the disability of increased cost of production.

MR. GREGORY.—I know the Minister wants to be fair, and so he will admit that I did not claim natural protection so much for pig iron as for other items.

MR. GREENE.—I think the honorable member said that there was a greater natural protection on machinery than on

this particular item. I venture to say, however, that if the Inter-State Commission had gone on, as they very well might have done, they could have pointed out that overseas freights on this particular class of material are very much lower than our coastal freights. Therefore, our local manufacturers not only have no natural protection, but have also a definite handicap in regard to freights. In addition to competing with thoroughly established industries in other countries, backed by almost unlimited capital and able to place their products if necessary at reduced costs in any part of the world, our manufacturers start so much behind scratch in regard to the cost of actually landing their products in the various port of Australia.

Over and over again the statement has been made here that the rates of wages in other parts of the world are as high as they are in Australia, but, so far as I have been able to study the problem of wages here and elsewhere, I have gathered that, no matter what happened during the war, the present tendency is for wages in Great Britain and America to fall below the Australian level. Since the Armistice the tendency has been for wages in Australia to rise all the time, and for the conditions of labour to become more difficult so far as the manufacturer is concerned, whereas in other countries competing with us the pendulum is swinging the other way, and things are daily becoming easier for the employer, and, perhaps, more difficult for the workmen. In some respects the wages paid in Great Britain are lower than the corresponding rates paid in Australia. Again, in regard to coal, the last figures I saw as to the cost of this fuel at Pittsburg, taking the pit run, as the coke works do, show that it is 16s. 8d. per ton as against £1 1s. 9d. at Newcastle. The actual amount of coal used per ton of pig iron is about 2 tons, or 1.25 tons of coke, which, of course, is actually used in the blast furnace operations, while another ton of coal is used in turning the pig iron into steel. As a consequence, the slightest reduction in price of coal elsewhere is a definite handicap to the Australian manufacturer.

MR. GREGORY. — In Canada immense quantities of bituminous anthracite, on



which there is a fair duty, are imported, but still Canada is building up a big steel industry.

MR. GREENE.—For the moment I cannot say whether the Canadian steel industry is in that position, but I know that in America the price of coal is coming down all the time, whereas in Australia, if anything, it is rising all the time. Therefore, one is faced with the definite knowledge that the Australian manufacturer commences operations with odds against him, apart altogether from the fact that his organization is smaller than that of his competitors, that he has a limited market for his products, and that he is lacking in experience in the commercial battlefield. In view of these facts, one must conclude that he needs some sort of protection, at any rate, to the extent of the rates set out in the schedule.

Now I turn to the other side of the picture. Requests have been made for increased duties. I pointed out earlier in the course of my speech that the iron and steel industry is at the base of a pyramid. Upon it are built a vast number of other industries. Upon it depends to a greater or less extent almost every individual in the community. Consequently, in the arrangement of these duties we must exercise due care to see that we do not ask for more than is necessary, while still providing what may be regarded as sufficient. Honorable members who have asked for increased duties say that such increases have come about in the cost of coal, labour and harbor dues, that the duties have become less effective since they were first imposed; but I would point out that at the moment this Tariff was tabled no Protection was needed in these lines, a statement which is amply borne out by the fact that the Australian manufacturers were in a position to sell their products to other nations at a very much lower price than those nations were asked to pay by the manufacturers of other countries. When I set out in an endeavour to wrestle with this very difficult and tangled problem which confronted me in respect to the duties upon iron and steel products, I endeavoured to keep in mind what was likely to happen in the future as far as one could forecast

it; because the Tariff as I framed it was never intended to deal with the conditions prevailing at the moment.

SIR ROBERT BEST.—The Minister did not contemplate a reduction of about 70 per cent. in the value of the duty.

MR. GREENE.—It is not a fair presentation of the case to say that a duty has practically disappeared because additional charges have been put on the manufacturer in Australia during the period the duty has been in operation when it was actually not required at the moment the Tariff was tabled.

MR. WATKINS.—The steel manufacturers had prohibition when they commenced operations in Australia, because at that time no foreign supplies were coming to hand.

MR. GREENE.—When the Tariff was tabled, there was no prohibition in regard to these lines. The war had been over for some considerable time, and it was a comparatively easy matter to secure importations provided the price of the local article was not very much below the world's market price. But as that was actually the case at the time, it did not pay foreign manufacturers to send their products to Australia. It is hardly a fair presentation of the case to assume that a duty of 20s. was necessary when the Tariff was tabled, and then show that because certain charges have accrued since then its value has disappeared. It was a difficult matter to forecast what was likely to happen when the period of competition—to which we are rapidly approaching, and which in some cases has actually arrived—could be reasonably assumed to exist. But when we were considering these duties we took this into account. I think that when trade assumes what I anticipate will be its normal level, this particular duty will be found to represent about 22 per cent. British.

MR. GREGORY.—On pre-war levels, the duty is much more than 22 per cent.

MR. GREENE.—It is; but one must guess somewhat in these matters, and I have endeavoured to guess at what is likely to happen in the final adjustment of prices to which the markets will settle.

SIR ROBERT BEST.—It is purely an arbitrary assessment, because the Minister has no material on which to form a definite judgment.

Mr. GREENE.—I admit there is nothing certain, and that one is more or less treading on shifting quicksands. All one can say is that on pre-war prices the duty will represent very much more than 22 per cent. British, but I am assuming that, although the prices will fall to a point appreciably below the war level, they will not reach the pre-war level. In all the circumstances, bearing in mind the fact that the iron and steel industry here has had a flying start, and that it is established on up-to-date lines with, as far as one can see, every prospect of success, I think the rates of duty fixed should prove sufficient.

Certain figures were quoted last night as to the prices at which certain products of the steel industry were being sold in Australia. In every instance it was stated that they have come from Belgium.

Mr. WATKINS.—Which might mean Germany.

Mr. GREENE.—As the law prevents the importation of goods containing more than 5 per cent. of German origin, I conceived it my duty to try to ascertain whether any of the iron or steel arriving here from Belgium was of German origin. As the result of our inquiries, we were assured as definitely as we could be in a matter of this sort that the origin of this iron and steel is not German, but that German coal, which, of course, was reparation coal, had been used in the manufacture of these articles. Of course, we could take no action in regard to that coal.

Mr. RICHARD FOSTER.—Was the Minister satisfied?

Mr. GREENE.—As satisfied as one could be. Of course, we could only make inquiries through official channels, and that was the result. The real reason why we are up against this Belgian competition to-day is not that Belgium is producing iron or steel cheaper than we are, but because the exchange rates between that country and Australia are such that the Belgian manufacturers have done what I have predicted several times in this chamber would be done. I have said several times that when certain countries arrived at a point where they were anxious to get rid of their products, they would use exchange rates for the purpose of enabling them to dump those products.

Mr. GREGORY.—Could the Broken Hill Proprietary Company supply those iron and steel goods which are being imported to-day?

Mr. GREENE.—There may have been a period when, owing to strikes and the fact that the blast furnaces had to shut down for quite a long period, the Broken Hill Company and Hoskins Limited could not supply the local demand, and it was necessary, therefore, to get bars and articles of that sort from abroad. I was saying that Belgian competition arises not from the fact that Belgium is producing iron and steel at a lower cost than the Australian manufacturers, but because she is taking advantage of the exchange rates to dump her products.

Mr. CHARLTON.—How are we to prevent it?

Mr. GREENE.—The honorable member for Newcastle (Mr. Watkins) has suggested increased duties. If those increases were made, they would not materially improve the position in regard to Belgian competition. A great deal more must be done before we can be reasonably assured that we have overcome the exchange problem. The matter must be dealt with by special legislation.

Mr. GREGORY.—Belgian products would be subject to the higher rate.

Mr. GREENE.—It does not matter whether or not they are governed by the higher rate; even the rate of £4 per ton, which the honorable member for Newcastle has suggested, would not nearly counterbalance the exchange position.

Mr. FENTON.—Has the Minister worked out the actual exchange rate?

Mr. GREENE.—It varies from day to day; but I think it is now about 60 francs to the sovereign.

Mr. JAMES PAGE.—If a rate of £4 per ton is not sufficient, make it £10.

Mr. GREENE.—The exchange position is not normal. It may take some time to adjust itself, but the present conditions are passing, and I do not think it would be right to attempt to counterbalance the exchange position by imposing duties which would apply to all countries alike, regardless of whether the exchange was favorable or unfavorable. For instance, in buying iron from America to-day we get an opposite result



to that which attends purchases from Belgium. The American exchange rate to-day is about \$3.95 to the sovereign. The Belgian rate is 60 francs to the sovereign, as against the Mint par rate of 25 francs. When the Belgians dump their product into Australia, and we receive 60 francs worth of their goods for a sterling value of 25 francs, we have a position which can be met only by special legislation. To-day the American Congress and the British Parliament are wrestling with this problem in comprehensive, although entirely different, ways. At this moment the House of Commons is considering, in Committee of Ways and Means, a very drastic and comprehensive proposal at which the honorable member for Dampier (Mr. Gregory) would look askance.

Mr. McWILLIAMS.—God help Australia when Britain imposes a Tariff like this!

Mr. GREENE.—The resolution now before the British House of Commons places in the hands of the responsible authorities tremendous power to prescribe, independent of Parliament, not only the articles upon which duty shall be imposed, but also the extent of the impost. The Imperial Parliament is out-Heroding Herod in trying to protect British industries from the dumping of continental goods. wing to the exchange position, subject to certain limitations. As we shall before long have to resume trading operations with Germany, and as the present rate of exchange is 243 marks to the sovereign instead of the Mint par rate of 25, it would mean absolute ruin to our industries, particularly the production of iron and steel, if we opened our door to trade with Germany without first introducing special legislation to cope with the exchange position.

Mr. GREGORY.—During the war the British Government placed an embargo on imported chemicals, and Judge Sankey ruled that they had not the power—that the matter must be dealt with by Parliament.

Mr. GREENE.—The British Parliament is being asked to definitely place that power in the hands of the Board of Trade over which a Minister of the Crown presides. I have endeavoured to deal with this highly important subject as briefly as possible.

Mr. GREGORY.—Has the Minister heard anything about restriction of trade by the Broken Hill Company?

Mr. CHARLTON.—That was denied last night.

Mr. McWILLIAMS.—There has been a confirmation to-day of what was said last night by the honorable member for Parkes (Mr. Marr).

Mr. GREENE.—I have not heard of anything which might be regarded as restraint of trade.

Mr. GREGORY.—Have no complaints been made officially?

Mr. GREENE.—I have had letters from two companies complaining of certain actions by the Broken Hill Company. One of them I brought under the notice of the Broken Hill Company, and the complaint was immediately adjusted. The other complaint is one of which the honorable member for Parkes (Mr. Marr) knows something. It is a quarrel between a number of very hard-headed business men.

Mr. McWILLIAMS.—It is a quarrel between a monopoly and another firm.

Mr. GREENE.—I am certain that no Court in the world would say that the action of which complaint has been made amounts to restraint of trade.

Mr. RICHARD FOSTER.—Hear, hear.

Mr. JAMES PAGE.—How does it happen that the honorable member for Wakefield (Mr. Richard Foster) can see all these letters to the Customs Department but no one else can see them? Is he wet-nursing the Government?

Mr. GREENE.—He certainly did not see the departmental files.

Mr. JAMES PAGE.—Then how can he declare with such assurance that the Government are right?

Mr. RICHARD FOSTER.—The Government are not involved in the dispute.

Mr. GREENE.—The correspondence which I have had simply reveals that there are two sets of very keen business men who are both trying to make their own point. It is perfectly legitimate business.

Mr. McWILLIAMS.—Are you quite sure that it is legitimate?

Mr. GREENE.—So far as I am able to understand the squabble, it is. I have not the slightest doubt that these gentlemen can arrange their business differences and come to terms. As a matter of fact, I know they are approaching each other at the present time.

Mr. McWILLIAMS.—And the company is holding off until the Tariff is passed.

Mr. GREGORY.—Does the Minister say that the quarrel has nothing to do with the fixing of prices by the Broken Hill Company?

Mr. GREENE.—It has nothing whatever to do with that. I do not think I should disclose the actual details of the dispute, of which I have confidential knowledge, but I do not think that any Court would say to the Broken Hill Company that it must do what it is being asked to do. I believe that the rates which I have asked the Committee to accept do give reasonable assurance of continuity of operations.

Mr. CHARLTON.—There is a very big doubt as to whether they do.

Mr. GREENE.—If I felt any reasonable doubt, I would unhesitatingly ask the Committee to increase the rates, but if we increase the rate on this basic item, we must carry the increases right through the schedule.

Mr. FENTON.—Does that mean that the first item governs all other items of metal and machinery, and that if there is no increase on the first item, there can be none on the others?

Mr. GREENE.—I am not saying that there may not be need for adjustment of the duties in respect of individual items, but if we increase this basic item there is not the slightest doubt that we must do the same right along the scale.

Mr. JAMES PAGE.—If we put a duty on the raw material, why should it be necessary to increase the duty on wire netting or fencing wire?

Mr. GREENE.—The first item represents the raw material for the manufacture of the others, and whilst eventually we may arrive at a time when we can ignore the duty altogether, and make the items free, that time is not yet. The iron and steel industry is still in its infancy, and that is why I feel that the rates laid down should be reasonably safe.

Mr. CHARLTON.—If it should be found that the rates are not sufficient, what will become of the subsidiary industries?

Mr. GREENE.—I have not disguised from myself or the Committee the seriousness of that possibility. It is absolutely essential that we should be reasonably assured that our industries are secure.

I think what I have done will be sufficient. If it is not, it will be for this Parliament at some future time to say so; and I do not think it will hesitate to say so. But I cannot conceive of any Government coming into power and letting this industry down.

Mr. CHARLTON.—Suppose that it goes down before Parliament can deal with it?

Mr. GREENE.—That is not at all likely. I repeat that I have given the whole matter very careful consideration. The rates set down are not the rates originally proposed. Those which I have determined upon are the outcome of careful study of the whole problem, and I ask the Committee to accept them, at all events, for the time being.

Mr. JAMES PAGE (Maranoa) [5.26].

—The Minister has made out one of the best cases possible for a high rate of duty upon the raw materials used in connexion with iron and steel production. He has stated that, even on the basis of the increased rates suggested by the honorable member for Newcastle (Mr. Watkins), the foreign combine competitors will not be kept out. That being so, I would go further. I would make the duty twice as heavy; and, if that were not sufficient, I would treble the rates. This is the key industry of the Commonwealth. It is the backbone of Australian manufacture. The only matter about which I am disturbed has to do with the interests of the subsidiary industries. My heart is in those works at Maryborough, because the men at the back of them have been struggling for the past thirty or thirty-five years as best they could against foreign competition. In many instances, notwithstanding that they had to pay high wages and high prices for imported raw material, they have held their own against outside competitors. Here is the chance to do something worthy and really practical on behalf of our fellow Australians, and I am satisfied that Parliament will rise to the occasion.

Mr. CHARLTON.—The schedule will not pass this month if these are to be the rates.

Mr. JAMES PAGE.—We would be false to the Australian people behind us if we were to allow the schedule to pass in its present form, after the speech which the Minister for Trade



and Customs (Mr. Greene) has made this afternoon. I will relate the circumstances which converted me to a belief in complete Protection for our key Australian industry. Honorable members will recall that, when the East-West Railway was being constructed, Mr. King O'Malley was the Minister whose Department controlled that great work. He tried to get rails and fastenings as cheaply as possible, and he called for tenders in all the four corners of the globe. The peculiar thing was that he could only secure certain portions of the iron and steel requisites from Great Britain, a certain quantity from Germany, and a certain portion also from the United States of America. What was the position? Some honorable members in the Corner now say that we are in the grip of a combine. It is better to be in the clutch of a combine inside the Commonwealth than of one outside, which we cannot touch. The prices for the whole of those steel rails and fastenings, and the like, which were urgently required for the building of the Transcontinental line, were exactly the same from each of those countries mentioned.

Mr. McWILLIAMS.—What were the prices?

Mr. JAMES PAGE.—The first quotation, I think, was £6 and £7 for steel rails. We would not accept it, but finally we had to pay £8 17s. 6d.

Mr. McWILLIAMS.—What is the price of steel rails now?

Mr. JAMES PAGE.—That was before the war. I do not know what the price is to-day, nor do I care. It matters not to me what may be the price, so long as the product is Australian made. I am concerned about the outside Combine. It made us pay just what its members liked, and it would do the same again to-morrow. Mr. King O'Malley made a deal with the Russian Government to supply us with all our requirements of rails and fastenings. That source of supply was outside of the foreign Combine which he had previously run against, and we were overjoyed to think that the Minister had beaten the Combine. But when the Russian authorities tried to secure freight to carry their steel products to Australia, not a single ship could be had. The Shipping Ring was linked up with the Steel

Combine. We had to go back again to the latter, and those people made us pay for endeavouring to break away from them by putting on £1 17s. 6d. to their quotation for rails. I thus became a strong Protectionist for life where Australia's iron and steel industry was concerned. If, as the Minister says, the proposals of the honorable member for Newcastle are not sufficient to keep out the foreigners, I would treble the proposed duty. But for the Broken Hill Proprietary Company starting the Newcastle Steel Works, where would our subsidiary industries be to-day?

Mr. CHARLTON.—There would be none.

Mr. JAMES PAGE.—Absolutely none; and no one knows that better than the Minister. We hear honorable members talking of the price of harvesters to-day. Purchasers would have been compelled to pay through the nose—if they could have got the machines at all—but for the Broken Hill Company's works at Newcastle. During the war period that firm did not put up the price of its products, although the opportunity was afforded to raise them to fabulous heights, seeing that the people who wanted steel had to buy from that source alone. As a good Australian, I feel that the least that I can do is to give this great Australian industry the measure of protection required, namely, sufficient to keep out foreign competition. The objection has been advanced that that will have to be done by the introduction of special legislation. If the Government are serious about the need for this special legislation, where is it?

Mr. GREENE.—We can only do one thing at a time.

Mr. JAMES PAGE.—I will tell the Government what to do, and they will get the thanks of the Australian people for taking my advice—common-sense and practical as I am convinced that it is. Let the Minister quadruple the rates of duty until the necessary measure dealing with foreign exchange shall have been passed.

Mr. CHARLTON.—Hear, hear! Save the industry first.

Mr. JAMES PAGE.—We should not let it languish or be killed by the foreign Combine.

Mr. CORSER.—How would the honorable member's proposal assist firms such

as the one in Maryborough to which he has referred?

Mr. JAMES PAGE.—We can trust the men behind the key industry, just as they proved worthy of our confidence during the war period. If, however, the Broken Hill Proprietary Company will not agree to supply Australian subsidiary industries with their necessary steel and iron products, there is a way by which the Government can overcome the deadlock. Happily, there is plenty of raw material in Australia. We have been told that the South Australian iron ores are the richest in the world. If there is danger of the dumping of cheap foreign materials, it is our duty to remove that menace. Let us not only protect and save Australia's key industry, but, at the same time, encourage the establishment and growth of subsidiary industries. Mr. Hoskins told me some time ago, by the way, that it is his intention to construct new works at Port Kembla. Here is an opportunity to give him a good start with his new subsidiary venture. I am certain that the Minister is sympathetic. Will he agree to temporarily increase the duty rates in order effectively to shut off cheap Belgian steel?

Mr. GREENE.—The better course will be to get the Tariff schedule out of the way, and for the Government then to introduce the Bill dealing with exchange.

Mr. JAMES PAGE. — But promises are vague.

Mr. GREENE. — The honorable knows that if I make a promise I will act up to it.

Mr. JAMES PAGE.—I do not doubt that for a moment; but there are others to be dealt with.

Mr. GREENE.—I will guarantee that it will be done.

Mr. JAMES PAGE.—I am quite prepared to accept the Minister's assurance. I am pinning my faith to the proposed Board of Trade, because I believe the operations of that body will be the solution of our difficulties. The Board will take the matter out of the hands of the manufacturers, and will submit concrete proposals to this Parliament, which we will either have to ratify or reject. This is the key industry of the Commonwealth, and this item is the most important in the whole Tariff. I seriously ask the

Minister to give consideration to my suggestions, because it is the easiest thing in the world to reduce or remove a duty that has been imposed if, as the result of experience, it is found to be excessive or unnecessary.

Mr. GIBSON (Corangamite) [5.41].—During the debate on this particular item we have heard a good deal concerning the operations of the Broken Hill Proprietary Limited. Unfortunately, I have not been able to visit the works of this company at Newcastle, but we have been informed by honorable members that they are the finest in the world, possessing very up-to-date machinery, and producing sufficient to meet the requirements of Australian consumers. But are they meeting our requirements at present? I do not think so. It seems that we are endeavouring to place the whole of our subsidiary industries in the hands of the Broken Hill Proprietary Company and Hoskins Limited. At present these two manufacturing concerns are not producing anything like the requirements of the Australian people, as in February last the Broken Hill Proprietary Company were asking certain purchasers of steel in Australia to import their requirements.

Mr. WATKINS. — That was during a strike period.

Mr. GIBSON.—That may be so.

Mr. HILL.—To what strike is the honorable member referring?

Mr. WATKINS. — The shipping strike, when it was impossible to freight iron ore around the coast.

Mr. GIBSON.—At that time five firms made purchases totalling 6,500 tons of steel, and that quantity is now on the way to Australia, and will be charged a natural duty of 100 per cent., and an additional duty of 60 per cent., making a total of 160 per cent., which is altogether unreasonable. Surely this up-to-date plant at Newcastle, of which we have heard so much, can compete against manufacturers abroad with a lower duty than 160 per cent.

Mr. WATKINS.—How does the honorable member make it 160 per cent.?

Mr. GIBSON.—There is a natural protection of 100 per cent., and a proposed duty of 60 per cent. The honorable member for Newcastle (Mr. Watkins) has endeavoured to make honorable



members believe that the Australian consumers have benefited to the extent of £6,000,000 by the prices at which the Broken Hill Proprietary Company have sold their products in Australia. They were disposing of fencing wire at £40 per ton during that period, and must have been making a very good profit.

Mr. GREENE. — But the Broken Hill Proprietary Company do not manufacture fencing wire.

Mr. GIBSON. — It is a subsidiary industry.

Mr. GREENE. — It is manufactured by another company.

Mr. GIBSON. — Fencing wire was being sold at £40 per ton until supplies began to arrive from Belgium, when it dropped to £20 per ton. The manufacturers must have been making a good profit over and above the ordinary profit if they could make such a reduction. The rate of exchange is, approximately, 8s. 3d. per ton.

Mr. GREENE. — It is not.

Mr. CHARLTON. — The Minister said it was very much more.

Mr. GIBSON. — Pig iron costs £5 7s. 3d. per ton f.o.b., which is equivalent to £8 15s. 6d. c.i.f. and e. The freight is 60s., and insurance and exchange 8s. 3d.

Mr. GREENE. — That does not take into consideration the difference between Belgian currency and sterling exchange.

Mr. GIBSON. — It does not. My quotations are pounds sterling. Some of those who are crying out for Protection are actually importing the very articles they wish protected. I have in my possession a *Shipping List*, from which I find that on the 30th May, Mr. H. V. McKay imported 360 bars of steel from Belgium, and 18½ tons of pig iron. A few days earlier the same gentleman imported 160 packages of rivets and nuts, 2,019 packages of bar iron, and 259 packages of steel bars. The Lion Mills also imported 20 tons of pig iron. We have been told by those who are supposed to know something about the industry, that in Australia we have the richest iron ore in the world, but this ore is receiving natural protection to the extent of 100 per cent. in competition with that from other countries. It is easy to understand that the Broken Hill Proprietary Company gives preference to certain purchasers, because they are unable to meet

the requirements of the Australian people. I am not prepared to say that the company can be regarded as a monopoly; but it is an easy matter for such corporations as those I have mentioned to interfere with trade. If we are going to unduly protect these industries by imposing higher duties, there is every possibility of certain manufacturing firms not being supplied with their requirements. Only the other day the Victorian Government called for tenders for the supply of 4,000 tons of steel in connexion with the Morwell electrification scheme, but Australian steel manufacturers did not submit a tender. There must be something radically wrong with this great manufacturing concern, with all its natural advantages, if it did not endeavour to meet the State Government by submitting an offer. I am anxious that this industry shall receive the necessary protection to keep it one of our leading industries; but I do not wish to see it reared in an artificial atmosphere. If it is going to succeed it should do so on a sound business basis, and not expect to conduct its operations successfully merely by means of high Protective duties. I do not feel disposed to support the amendment moved by the honorable member for Newcastle.

Mr. CHARLTON (Hunter) [5.50]. — I followed very closely the speech of the Minister for Trade and Customs (Mr. Greene) upon this item, and if ever a case was made out in favour of higher duties the Minister made one. I was very much surprised when he asked the Committee not to support an increase in the rates he proposed, because in view of the statements he made he evidently desires to protect the industry. If that is so, there is no course left to the Committee but to increase the duties.

Mr. JAMES PAGE. — That is proved by the Minister's statement.

Mr. CHARLTON. — Yes. The Minister dealt with the cost of converting iron ore into pig iron. He showed that wages had increased in Australia since the duties appearing in the schedule were imposed. If that is so, there is every justification for imposing still higher rates, because the cost of production has increased. He also said that costs on the other side of the world had decreased considerably. Consequently higher duties

must be imposed if our industries are to be protected.

Mr. CORSER.—Did not the Minister say that the industry was protected by the shipping freights?

Mr. CHARLTON.—The Minister has made out a good case in favour of higher duties, and I shall be very much surprised if the Committee accepts the rates he proposes. This is the key industry of Australia—not one of them—but the most important, and it is the duty of this Parliament to protect it in the interests of the whole community. If we are to remain here until the end of the year, I shall fight this matter to the last ditch, because I feel that we should not be content until the Minister is prepared to make some concession in the direction I have indicated. I do not wish my statement to be regarded as a threat; but I feel very keenly on the matter. What did the Minister say in regard to currency? I am surprised at the arguments that have been adduced. Since this Parliament met we have been informed that during the present session our time is to be devoted to consideration of the Tariff, and that during the absence of the Prime Minister (Mr. Hughes) contentious matters that might jeopardize the Government would not be introduced. The Government appealed to the Country party to grant them immunity from attack during the absence of the Prime Minister; but we are now told that it is necessary to deal with the question of exchange by legislation during the current session.

Mr. GREENE.—It will be purely a Tariff Bill.

Mr. CHARLTON.—If it is to be a Tariff Bill, when does the Minister propose introducing it?

Mr. GREENE.—When the Tariff is disposed of.

Mr. CHARLTON.—The Minister has not made such an admission before. We have never been informed that it was the intention of the Government to introduce a Bill dealing with exchange.

Mr. GREENE.—We must do it.

Mr. CHARLTON.—If it is necessary, it should be done promptly.

Mr. GREENE.—It is necessary.

Mr. CORSER.—That was generally understood.

Mr. CHARLTON.—I do not believe one-half the members of this Committee knew that it was the intention of the Government to introduce such a measure.

Mr. CORSER.—How are we to remedy the evils which exist without such a Bill?

Mr. CHARLTON.—It is useless for the honorable member to speak in that way. We have to deal with the facts as they have been presented to the Committee. I knew that it was the intention of the Government to appoint a Board to deal with firms who were abusing the privileges they enjoyed under a Protective Tariff.

Mr. CORSER.—The Minister referred to-day to the question of exchange.

Mr. CHARLTON.—Yes; and the honorable member for Wide Bay (Mr. Corser) is now endeavouring to protect the Minister. It was never publicly announced, and the Minister knows that as well as I do.

Mr. GREENE.—I made such a statement, but not in this chamber.

Mr. CHARLTON.—But we are guided by what we hear here. It was clearly stated that it was the intention of the Government to deal only with the Tariff. The Minister for Trade and Customs has said that a Bill dealing with the rate of exchange is dependent on the Tariff. If the franc has fallen from 25 to 60, what hope can this industry have of carrying on? We do not know what damage may be done within the next three or four months. The Minister has frankly admitted that there is already dumping from Belgium. Manufacturers there are getting coal from Germany, and because of the rate of exchange they are able to land their steel and iron in Australia more cheaply than it can be produced here.

Mr. GREGORY.—The world's demand is so great.

Mr. CHARLTON.—Exactly; but if that is the position, are we to allow it to continue to exist until this industry collapses in Australia?

Mr. GREGORY.—I admit there might be a higher duty on Continental importations.

Mr. CHARLTON.—I contend that higher duties should be imposed for the



protection of this industry in Australia. We must, beyond all doubt, make its position secure. I speak from memory, and am subject to correction, but when we built the transcontinental railway, and were faced with the difficulty of getting rails, to which the honorable member for Maranoa (Mr. James Page) has alluded, we had to pay, I think, £8 17s. per ton for them. This industry was then coming into existence. It was only in its infancy. I do not think that the Newcastle works had then started the manufacture of rails.

Mr. GREGORY.—Hoskins made a good many.

Mr. CHARLTON.—That is so, and I believe they cost a little over £9 10s. per ton.

Mr. GREGORY.—No. The pre-war price was £8 16s. per ton, at Port Augusta.

Mr. CHARLTON.—What was our pre-war price?

Mr. GREGORY.—That was our price.

Mr. WATT.—That was the Broken Hill Company's price for rails, landed at Port Augusta.

Mr. CHARLTON.—Then at that time we were purchasing rails abroad at something like the same price. The point I make is that if this industry in its infancy could supply us with rails at a price anything like that charged for imported rails, it was very greatly to its credit. An increased duty to-day is absolutely necessary because of the changed conditions. The Minister admitted that twelve months ago the duty now proposed was necessary.

Mr. GREGORY.—He pointed out that it had no value as a Protective duty at that time.

Mr. GREENE.—What I said was that at the time the duty was imposed no duty was necessary, but what we did was to endeavour to forecast, as well as we could, future conditions, and to impose a duty that would meet them.

Mr. CHARLTON.—At the time the Minister made that forecast he will admit that conditions were altogether different from what they are to-day. The price of coal has gone up considerably. It has been increased to the extent of 4s. per ton, and as it takes 3 tons of coal to produce a ton of pig iron, that means an increase of 12s. in the cost of produc-

tion of a ton of pig iron. There have been two or three increases in wages under awards of the Arbitration Court. These have been necessary to enable the workers to cope with the increased cost of living. Then wharfage charges and harbor dues have increased. All these increases must have placed the Broken Hill Company in a very different position with regard to the cost of production from that which it occupied at the time when the Minister for Trade and Customs made his forecast of the duties necessary to meet future conditions. The Minister has pointed out that since the war, and in the last few months especially, conditions abroad have materially changed. Wages have come down, unfortunately, in many industries, the cost of coal has been reduced in Belgium, and, on top of all this, we have the difference in the rate of exchange to consider. In these circumstances, how can the local industry continue to exist if some additional protection is not afforded to it? It will be admitted that the Broken Hill Company has done well for the Commonwealth.

Mr. GREGORY.—It has been on a good wicket, too.

Mr. CHARLTON.—I admit that all manufacturers have been on a good wicket. Can the honorable member tell me any one who was not on a good wicket during the war?

Mr. BELL.—Many people were not.

Mr. CHARLTON.—Many people who were consumers were not; but there were very few manufacturing industries that were not on a good wicket during the war.

Mr. BELL.—The honorable member is helping the consumer a lot now.

Mr. CHARLTON.—I think that I am. I am endeavouring to secure employment for people in Australia to tide them over the difficult times ahead. Whether the honorable member can see it or not the position staring us in the face now is a very serious one. No one knows what may happen here in the near future. The conditions from which the Old Country is suffering at the present time may be repeated here. We may have to suffer to some extent in the same way, no matter what we can do, but I think we should do what we can to prevent that.

Mr. BELL.—The course which the honorable member proposes would intensify our difficulties.

Mr. CHARLTON.—I do not think so. If we accepted the views expressed by the honorable member, and some other honorable members, we would do nothing to protect this industry. We would allow it to collapse, and would send money from Australia to keep people in other parts of the world at work for lower wages than are paid here, whilst our own people would be left to walk about in idleness.

Mr. BELL.—Of what use are high wages if we continue to increase the cost of commodities as the honorable member proposes that we should do?

Mr. CHARLTON.—The honorable member does not appear to see the difference between endeavouring to stabilize matters, and protect the country from reductions in wages, and the question of the cost of commodities. No one took a more active part than I did in trying to prevent high prices. Throughout the war, the period when those in power should have grappled with the question, my voice was always heard against the continuous increase in the cost of living. Now, when we should be getting back to normal conditions, the honorable member is content to allow everything to drift, and he would permit the workers who, for years past, have been earning less than sufficient to meet the increased cost of living, to go right down to bed-rock.

Mr. BELL.—The honorable member is proposing to increase the cost of living.

Mr. CHARLTON.—Not at all. I believe that the effect of an increase in the duty on this item would be to decrease the cost of living. The honorable member does not, or will not, see that I am endeavouring to prevent this industry going down because of competition from abroad, due to conditions, that we all deplore, existing in other countries at the present moment.

Mr. WATT.—We all want to do that.

Mr. CHARLTON.—I am afraid that the honorable member for Darwin (Mr. Bell) does not.

Mr. WATT.—The honorable member is accusing the honorable member for Darwin of being a foreign trader, but he is not one.

Mr. CHARLTON.—I am not so sure about that. Judging by the honorable member's interjections, I should say that

he favours giving work to the people of other countries rather than to Australians.

Mr. BELL.—The honorable member wishes to attain a certain object, but is going the wrong way about it.

Mr. WATT.—There is no general sentiment in the Committee in favour of foreign manufactures as against Australian manufactures. The votes that have been recorded show that.

Mr. CHARLTON.—I do not know that they do.

Mr. WATT.—This is the most Protectionist House that has ever been seen in Australia.

Mr. CHARLTON.—I am in agreement with the honorable member, if he says that there is a substantial majority here in favour of Protection.

Mr. WATT.—That is all I say.

Mr. CHARLTON.—I understood the honorable member to suggest that the whole of the members of the Committee are Protectionists, but we know that there are some who take another view. The honorable member who preceded me said that those engaged in this industry are not able to supply the requirements of Australia. I do not know whether, at the moment, they are or are not; but I do know that they are making every endeavour to do so. They are at the present time extending their works.

Mr. GREENE.—A new blast furnace is being erected which will have a capacity of 500 tons a day.

Mr. CHARLTON.—That is so, and the company is laying down additional machinery plant. A large number of men were employed in connexion with the extension of the works and plant, but I can inform honorable members that a few weeks ago, when I was at the works, numbers of men who had been employed on the extensions were being paid off because of the uncertainty of the position of the company. They realized that they would not be justified in expending more millions if they were not able to hold the market here. What I am anxious about is that they should be placed in a position to hold the market. If we have to pay a few shillings more per ton for steel rails and other materials manufactured here, we shall not have much to complain



about if at the same time we are finding employment for our own people.

Mr. HILL.—No one grudges paying a few shillings extra, but an increase of a few pounds is a horse of a different colour.

Mr. CHARLTON.—I do not know that there is such a difference. The price of rails here to-day is between £17 and £18 per ton, and it is very little less in Great Britain. These high prices have been occasioned by the war, and are operating everywhere. Prices will gradually fall here, as elsewhere, when we settle down. We shall never get back entirely to pre-war conditions, and I am one of those who hope that we never will. I hope that we shall not get down to bed-rock, as we did before the war. I think that it is in the best interests of the people as a whole that prices should be fairly high, so long as they are not exorbitant, if wages are also high. Under those conditions, the people will be more contented, and we shall have a better race as the result. The whole question is whether, in Australia, we should be self-contained. Without this industry we cannot be self-contained. If we did not have the steel and iron industry firmly established, everything else would go by the board. What would happen to us in time of war if we did not have this industry established in Australia? I do not wish to see any more wars, but they may come in spite of us, and, if they do, and this industry is not in existence here, what will happen to us? Where should we have been three or four years ago if we had not established this industry? Have we nothing to learn from the history of the last few years? The lesson we should have learned is that we must be self-contained. No greater lesson was ever taught the people of Australia and their representative men. We should have been helpless during the war if it had not been for our steel and iron industry.

Mr. CONSIDINE.—The trouble is that Australian statesmen do not seem to have learnt the lesson.

Mr. WATT.—The statesmen we have have learned the lesson.

Mr. CHARLTON.—I hope that the statesmen, not only of Australia, but throughout the world, have learned that

everything possible should be done to prevent war in the future. But we have to deal with things as they are, and so must make sure that we are giving ample protection to this industry. The Minister for Trade and Customs desires that the duty should be left as proposed. I do not know what actuates him in that desire. I do not know whether he is trying to please the Corner party or not, but it does seem strange that when he explained that he is not prepared to consider an increase of the duty on this item, honorable members who have been opposing the Tariff have suddenly disappeared from the chamber.

Mr. WATT.—No; they have left one sentinel in the Corner.

Mr. HILL.—Yes; and one who is prepared to move an amendment for a lower duty, so that the honorable member can go ahead.

Mr. CHARLTON.—I believe that it is our duty to make all provision necessary for the carrying on of these works continuously. The Minister has pointed out the necessity of continuity of operations in this industry. To allow a blast furnace to go down involves the expenditure of a lot of money. If those engaged in this industry cannot secure sufficient orders in Australia to keep their furnaces going constantly, their enterprise must be a failure. If any one of us had a plant with two blast furnaces, and could get sufficient orders to keep only one going, he could not make his enterprise pay, in view of the capital invested in it. It would be impossible on the capital that had been put into it.

Mr. GREENE.—The company must have continuity.

Mr. CHARLTON. — Exactly; they must be working all the time. During the late shipping trouble the company was compelled to let the furnaces go down, and very heavy expense was involved in getting them going once more. The founders of this industry were led to believe that if they laid down a plant they would be able to keep their furnaces going, and it is essential that we should provide them with a market.

Mr. CONSIDINE.—And after they had asked us to see that they got a market for their product they told us to mind our own business.

Mr. CHARLTON.—That is the other side.

Mr. WATT.—That is the silver side; but the honorable member is dealing with the steel side of the question.

Mr. CHARLTON.—I am dealing with the bread-and-butter side. There are probably 20,000 people directly and indirectly engaged in this industry.

Mr. GREENE. — More than 20,000 workers.

Mr. CHARLTON.—We must see that they are kept in employment, and employed under reasonable conditions. We shall have trouble if we allow iron and steel from Belgium to be dumped into Australia, and so deprive our own industry of its market. Some time ago a company was formed to carry on coal-mining operations in the vicinity of Sydney harbor. After boring through shale to a great depth coal was reached; but the company found it impossible to make the proposition pay. It spent over £1,000,000 and, after all, had to close down. These steel works might have a like experience. Unless the shareholders can get a fair return for their money they will have to close down, and their huge plant may be scrapped. It is our duty to see that that does not occur. We are not anxious to increase the cost of iron and steel to the general public, and if, as the result of increased duties, the prices are raised, it will be to only an infinitesimal extent. Increased duties will be the means of keeping out cheap foreign material. If, as the Minister has said, the rate of exchange is such as to assist very materially the importers of steel, what hope can we have of the continuance of these works unless we afford them adequate protection? The Minister has said that he intends to introduce a measure dealing with that phase of the question; but we do not know that it will prove satisfactory. We do know, however, that we can to-day adequately protect this great industry. I am sure that the majority of honorable members are favorable to increased duties, and that the Minister would consult the wishes of the Committee by supporting the proposed increase. If it were found desirable later on to vary the rates, it would be within the power of the Minister to do so. This industry's chief competition comes not from within the British Empire, but from outside. Why should

we give employment to a lot of Germans? The coal that is being used in the Belgian ironworks to-day is coming from Germany, where it is cut at a much lower rate than that prevailing in Australia, and it is being used in the manufacture of steel and iron that will compete with our own products unless we provide for adequate protection. I hope that the Minister has not finally made up his mind to refrain from supporting an increase, and that the whole question will be thoroughly threshed out. We know what the closing down of this industry would mean.

Mr. CONSIDINE.—But the honorable member does not believe that it is going to close down?

Mr. CHARLTON.—I do not know whether or not it will close down.

Mr. CONSIDINE.—The honorable member has a shrewd idea that it will go on.

Mr. CHARLTON.—I intend to do all that I can to keep those engaged in the industry at work.

Mr. CONSIDINE.—Yes; while they are working they will not be thinking.

Mr. CHARLTON.—At all events, I do not want to see people walking our streets in idleness and in a state of semi-starvation because of lack of legislation on our part to protect Australian industries. Our conditions of labour are in advance of those of Belgium and other European countries, and I want them to be maintained. This is a key industry, and we have to stabilize it. Among its many subsidiary industries is that of nail-making; but that industry in New South Wales at the present time is closed down. The men tell me that they will not be able to resume operations unless the Tariff is increased. They have been out of work for a couple of months, and they say that it is impossible to carry on while the present dumping continues. If we take a sane view of this question, we shall provide for full protection for all our industries. I ask honorable members to give this subject careful thought. Every word that the Minister uttered was really in favour of an increase of these duties. He did not say a word in favour of retaining the present rates, or of reducing them. He stressed the point that this was a key industry, and that it should be



protected. I give the honorable gentleman credit for the way in which he is handling the Tariff schedule, and also for the speech made by him on this question; but, in view of his utterances, I find it difficult to understand why he is not prepared to move for increased duties. The honorable member for Corangamite (Mr. Gibson) has said that there are 6,500 tons of steel now on the water for Australia, and that if these duties be increased that shipment will have to pay the increased rates. No doubt, the importers would regard that as a hardship, but it is a by no means uncommon occurrence. I regret to hear that there is so much coming in. It is only within the last two or three weeks that wages in European countries have fallen, and if already large quantities of steel are on the way to Australia, we may be sure that, unless we raise the Tariff, other big shipments will follow. Why should we import material that we can manufacture for ourselves? We shall be able to more than meet our requirements, so far as steel is concerned, when the additional furnace to which the Minister has referred is set going. The fact that there is certain steel on the water is no justification for refusing the proposed increase in the duties. Reference has been made to what is termed the "natural protection"; but what is that? It is true that there is a good deal of water carriage, and that freight has to be paid; but I can remember the time when steel products were brought out here as ballast.

Mr. GREENE.—There is no natural protection.

Mr. CHARLTON.—I venture to say there is not.

Mr. GREENE.—"The boot is on the other foot."

Mr. CHARLTON.—I think so, too. Freights have been coming down very fast. Prior to the war, I have known iron and steel brought out for about £1 a ton; and, as I say, in some cases as ballast, the exporters being glad to get some return for this ballast, and take back coal and other commodities. We have to look at our position here. We have a huge coast line, and manufacturers in, say, New South Wales, have to supply orders in Western Australia or

the Northern Territory, covering distances nearly as great as those from other countries. Thus we see what is the value of the "natural protection" we hear so much about. As a matter of fact, this industry depends entirely on what we do in this Parliament. If I were certain that the present duties were adequate, I should not be taking up my present position, but I feel that they are not adequate. Changes are taking place throughout the world which must inevitably be felt here, and my desire is that we should be prepared, as far as possible, to meet the situation. The aftermath of war is already reflected in the unemployment in all the States, and the position must be intensified unless we do something by way of prevention. The proper course is to provide as much employment as possible, and see that wages are not permitted to run down on a sliding scale. Once wages begin to drop to any considerable extent, the country is injured, with benefit to no one; there is less money in circulation, and the position becomes acute. This is a time when we should do our best in the way of economy, and for the next few years obtain as much revenue as possible; and to this end it is necessary to provide avenues of employment. Indeed, the provision of employment is the very object of the Tariff, and we have to face the fundamental question whether, in the interests of the country, steel and iron works shall be established. It is true that such works are already here, but there is the danger and possibility of stagnation ahead; and once operations are suspended, it will be extremely difficult, if not impossible, to resume them. I remember, a few years ago, oil works being established near to Hamilton, the operations of which were interrupted by the war; and to-day beautiful machinery there can be seen rusting away. If the wheels of the steel works are not kept well oiled and going, we must look forward to similar results, and Australia will be unable to claim that she is a self-contained country. As a matter of fact, Australia is not self-contained now; and we are looking to this Tariff to make her so. The first step is to start the key industry, which, of course, is that of iron and steel. There is not a member in this House but will admit that

during the last twelve months conditions have altered all over the world, and we cannot hope to escape; yet, it is proposed that we should absolutely refuse to do the fair thing by this industry. This will mean either the industry "going to the wall," or a big inroad on wages. So far as I can learn, this industry affords very satisfactory terms to the employees; I have heard very few complaints in this regard, and there seems a general idea that the "fair thing" is being done. Surely, then, we ought to see that the fair thing is done by the companies which so treat their employees. I hold no brief for any company, but regard the question from the national point of view. What is the use of talking about immigration if we do not provide avenues of employment—if, in the case of the key industry, we refuse to impose duties sufficient to enable it to live and grow as it should? I agree with the Minister's statement that in America the high duties which prevailed for many years have been lowered, and that it is possible that we here may, after a period, be able to reduce the duties considerably. We must not forget that this industry is in its infancy, and requires the parental care and control of this Parliament; and that, unless we rise to the occasion, we may strangle the infant. I venture to say that when the industry is thoroughly established it will produce material as cheaply as in the Old Country, or in most countries of the world. We ought not to be told that we must come down to the level of manufacturers abroad who get labour at half the price paid in Australia. This matter is too important for any game of "ducks and drakes." Personally, I do not propose to allow these items to go through without their being thoroughly threshed out. This particular item is the main one in the Tariff—the main consideration for this country, and on what we may do depends our future. Every honorable member, with the exception of a few in the Government corner, are in favour of increases in the duties, and my surprise is that the Minister does not accept the amendment. No one more than the honorable gentleman realizes the importance of the industry, for he has spent more time than most of us in ascertaining the facts connected with it; indeed, his speech

to-day showed that, really, he is convinced that the duties ought to be increased.

*Sitting suspended from 6.30 to 8 p.m.*

Mr. BELL (Darwin) [8.0].—The honorable member for Newcastle (Mr. Watkins), who has moved to increase the duties on pig iron, and the honorable member for Hunter (Mr. Charlton), who eloquently supported him, have protested vigorously against the Minister's refusal to accept the amendment. These honorable members naturally wish to benefit an industry which is carried on largely within, or near to, their electorate, and I have no quarrel with them on that ground; but it is for other honorable members to see that a bigger measure of protection than is needed is not given to this industry, because that might increase the cost of the iron and steel which it produces, and which is their raw material. It was contended that the Minister's speech, properly weighed and considered, justified the proposed increases, but from that I entirely dissent. The Minister (Mr. Greene) is to be congratulated upon his presentment of the case. He has again shown himself to be fully conversant with his subject, and he viewed it in the manner that was to be expected of a fair-minded administrator whose duty it was to see that an important industry was adequately protected without harm being done to dependent industries. Replying to an interjection of mine, the honorable member for Hunter accused me of wishing to benefit the foreign trader, and of being unwilling to support Australian industries. I do not suppose that he meant what he said on the spur of the moment, because an instant's reflection would have caused him to remember that my votes on items already dealt with prove my readiness to give to Australian industries all necessary protection. At the same time, I contend that one industry should not be protected unduly, and at the expense of other industries depending on it for their raw material, which is what would follow from the amendment. As the Minister rightly said, if we increase the duties on iron and steel, we must increase the duties on all lines under the



heading of machinery. There are industries other than the iron and steel industry whose existence is very important to the welfare of Australia.

Mr. CHARLTON.—What would become of the industries dependent on the iron and steel industry if it were not kept going?

Mr. BELL.—The honorable member has asked that question several times. I am willing to give the industry sufficient protection to keep it going continuously. No one would oppose the amendment if it were proved that without an increase of duties this industry would be wiped out.

Mr. JAMES PAGE.—You would wait until it was wiped out.

Mr. BELL.—No. There is no evidence that it is likely to be wiped out. Those who support the increase have drawn attention to the change of conditions in other countries since the Tariff was introduced. The Minister has told us that when the Tariff was first brought down the iron and steel industry needed no great measure of protection, and that he has since taken into consideration the changes in wages and in the prices of commodities in other countries, and other matters which invited attention. That he has done so is proved by the knowledge of the industry that he has displayed; and if he is now satisfied with the duties contained in the schedule I am willing to accept them. The Tariff is to operate, not for a year only, but, we hope, for an indefinite period. Certainly we should not like to have to consider new Tariff proposals every session. Other industries, such as mining and agriculture, are as important to Australia as is the iron and steel industry.

Mr. CHARLTON.—During the war there would have been no mining industry had not our steel works been in existence.

Mr. BELL.—It is likely that very soon some of our largest mines will have to close if honorable members persist in opposing the reduction of their working expenses. A few days ago, the very members who are now asking for increased protection for the iron and steel industry were complaining because certain mining companies which, they said, had made huge profits during the war, were not able

to carry on because of the fall in the value of metals.

Mr. CHARLTON.—We asked that they should abide by the law of the land and the decisions of the Arbitration Court.

Mr. RICHARD FOSTER.—One Arbitration Court has said to the men, "Return to work at reduced wages."

Mr. CHARLTON.—Nothing of the kind.

Mr. BELL.—These honorable members wish to give the iron and steel industry more protection in order that it may continue to make huge profits, as it did during the war; and this must be to the prejudice of the community generally. But as the Tariff discussion has now extended over several weeks, inconsistency on the part of members is not surprising. If never before has there been reason to consider the arguments of members inconsistent, this discussion has provided many instances of inconsistency. When members speak of the reduction of wages that may take place, I would remind them that mining and other primary industries are now being carried on at a loss. Agriculturists are not getting the rewards to which their labours entitle them, and nothing like those enjoyed in this industry for which certain members are fighting so strenuously because they represent the persons employed in it.

Mr. CHARLTON.—Would you think it a good thing for your constituents that their wages should be reduced?

Mr. BELL.—Of course, not.

Mr. RICHARD FOSTER.—That would not be so bad as having no wages at all.

Mr. CHARLTON.—No doubt, half a loaf is better than no bread.

Mr. HILL.—Any number of industries have now to be content with the half loaf.

Mr. BELL.—I shall not support a proposal the effect of which must be to allow one industry to make large profits at the expense of other dependent industries. Those who advocate the increase of these duties seem not to realize that other industries, such as agriculture, have already to pay dearly for their machinery, and get very little returns.

Mr. CHARLTON.—If you desire cheap machinery, you should be a Free Trader.

Mr. BELL.—Members of the Corner party have been derided because they wish to obtain consideration for those whom they claim to especially represent, but

surely that party—I am not a member of it, though equally with its members I represent an agricultural constituency—is as much entitled to fight for the interests of its constituents as are the members for Newcastle and Hunter for those of the men whom they represent. If I judge the Minister's meaning aright, he is not going to agree to the increase proposed by the honorable member for Newcastle, and so ably supported by the honorable member for Hunter. In my opinion, the proposed increase is preposterous, but I can quite understand that, after certain increases being proposed and carried during the earlier part of the consideration of the Tariff, some manufacturing interests in the Commonwealth came to the conclusion that they had only to ask in order to receive. I have no doubt that when the debate on the Tariff began, the manufacturers concerned in the iron and steel industries in particular were perfectly satisfied with the Minister's proposals. There is no evidence to show that they are not satisfied to-day, and I would have been indeed surprised if the Minister had acquiesced in the proposal to increase the duties by 50 per cent. I had not intended to speak, but after listening attentively to some of the speeches on the item, I felt that I could not allow it to pass without entering my protest against the attitude taken up, and the lack of consideration shown, by some honorable members as to the effects of their proposal on other industries. I am out to support a measure of protection that is, in my judgment, sufficient to allow Australian industries to grow up in security, but if I went beyond that I would not be doing justice to myself or the community in general. In all these proposals, we must consider the effect of very high, or, as some honorable members have suggested, prohibitive duties on subsidiary industries. That aspect has not been realized by those who propose to increase these duties. Had the Minister agreed to the increase, I should certainly have entered a protest, but I am happy to say that he has not so agreed. His reasons for not being willing to agree were sound and statesmanlike, and I congratulate him on them. I am satisfied that the majority of the members of the Committee will not favour the increase. I shall support the Minister's proposal,

and shall not support either an increase or a decrease of it.

Mr. RILEY (South Sydney) [8.19].—This is one of the key industries of the whole Commonwealth. It has been established in Australia for a number of years by pioneers, who have risked their capital, and brought the best brains they could possibly command to the task of establishing it. So far they have been going on under very moderate protection, and have been able to supply the markets of the Commonwealth with an article that we all desire. The praise of the whole community was lavished upon them during the war for the noble way in which they stepped in to supply steel rails, even to the British Government. They also supplied our own requirements, and kept our manufacturers going. If this is to be a country of any importance, we must have industries of this kind established here. No country in the civilized world has made any progress unless a large part of its population has been engaged in the manufacture of iron and steel, and other requirements. If we are to take our place among the nations, we must have this as our base industry. We are only starting to develop this industry, but already one company alone has spent nearly £5,000,000 in placing at Newcastle one of the best plants that can be found in any part of the world. They find themselves in competition now with the foreign article.

Mr. CONSIDINE.—They are great philanthropists!

Mr. RILEY.—I do not suppose they are in the business for the good of their health. Their object is to make money, the same as other people, both here and in other parts of the world. There is another iron works established at Lithgow, and Mr. Sandford, who did the real pioneering there, wasted his money and energy, and almost went insolvent over it. Then Mr. Hoskins took it up. He has been plodding along and developing it, and to-day, like the Broken Hill Company, he finds himself at the mercy of the Belgians, who are prepared to dump iron and steel in here at very reduced rates. This is not a question of Protection or Free Trade so far as I am concerned. It is a matter of preserving an industry which has already been established. I suppose 7,000 or 8,000 men are employed in the two establishments, and many more



are engaged in the branch industries that have sprung from the iron and steel industry. We shall be treading on very dangerous ground if we do not see that this industry is given the fullest possible protection. The Minister is cavilling over an increase of £1 per ton in the duty, for that is all that the honorable member for Newcastle's amendment means. The honorable member for Darwin (Mr. Bell) said that an increase of £1 per ton on this raw material means an increase in all the other commodities. It does; but if an increase of £1 per ton is put on the raw material, and in consequence another £1 per ton is put on the price of galvanized iron, it does not take a ton of iron to cover an ordinary house, and even an extra £1 on a cottage or house that is being built is a mere nothing compared with the great industry that the extra duty will support and maintain. The same thing applies to agricultural machinery. Most of those machines do not weigh very much, because the whole object of the manufacturer is to make them as light as possible to handle and work.

Mr. HILL.—The duty is £50 on a single machine.

Mr. RILEY.—I am speaking only of the increase in the duty as proposed by the honorable member for Newcastle. It has been argued that if the Minister accepted the amendment it would add to the cost of machinery. I do not suppose it would add 10s. to the cost of a plough or a reaper and binder. I hope honorable members who have put forward that argument will look at the matter in a practical way. An increase in the duty to protect this large industry is certainly going to increase the price of other things, but that argument can be urged against every duty that we impose. Recently the honorable member for Lilley (Mr. Mackay), appealed for an increased duty on bananas, and an increase was granted, with the result that to-day there is an increase of 6s. in the price of bananas. The honorable member knew, and we all knew, that that would be the effect, but we knew also that the increased duty was going to preserve an important industry. I hope the honorable member who was treated so generously about bananas will look with a friendly eye upon this industry, and help to keep it in

existence. One could go from one industry to the other and show the great advantage that has accrued to all of them, and to the labour employed in them, through the establishment of the iron and steel industry in the Commonwealth. The Broken Hill Company are prepared to make the material for every iron or steel bridge that needs to be constructed in the Commonwealth. They are making that material in this country; they employ labour here; and the whole Commonwealth benefits. They can make here all the steel rails that used to be imported, and surely that is an advantage to this country. Any company that has embarked its capital in the iron and steel industry in Australia we have a right to protect up to the hilt. I have been supporting the Minister during the whole of the Tariff, and I assure him that he would do well to err on the right side by accepting the proposed increase in the duties, because it would be a guarantee of stability and permanency to the people who have put their money into the industry. They say that they cannot carry on against the competition which they are called upon to meet. The Minister says he is prepared to bring in a Bill to prevent dumping, because, as he admits, no matter what duties are imposed, the Tariff alone will not keep the industry going. There is a good deal of truth in that contention, and therefore we want the Anti-Dumping Bill as well as the Tariff.

Mr. GREENE.—We must have it.

Mr. RILEY.—We must have it if the industry is to exist at all.

Mr. CONSIDINE.—The Minister does not propose to bring in a Bill to stop the dumping of labour in this country.

Mr. RILEY.—No; he is leaving that to the honorable member. I shall support the increased duties, because the company has been paying decent wages, so far as it possibly could, according to the awards of the Arbitration Court. There have been very few disputes among the employees in the district, and under these conditions I want to see the industry protected. I shall not only vote for the increased duties, but I shall vote also to keep out those articles which are going to ruin our industries by dumping.

**Mr. FOLEY** (Kalgoorlie) [8.28].—While at all times wishing to see industries opened up and developed in Australia, as I said when speaking on the first item, I fail to see how an abnormally high Tariff will bring about the results that those who advocate it expect. The honorable member for Newcastle (Mr. Watkins) and those who support him have put forward arguments to show that a still higher Tariff than the Minister (Mr. Greene) has proposed is warranted. In my opinion, such a Tariff is not warranted, as I propose to prove by using the very arguments that those who advocate increased duties have used. First of all; the honorable member for Maranoa (Mr. James Page) said he did not care a hang what it cost so long as it was an Australian industry. Looking round the chamber when the honorable member used those words, I saw a smile on the faces of two gentlemen who have taken a very keen interest in this debate right through. If they subscribe to that doctrine, they are supporting an argument which is different from the one they use outside this chamber, and certainly different from the one which honorable members will use when they go outside. As an Australian desiring to see Australian industries prosper, I would not support a Tariff that meant "any price being paid so long as it is paid in Australia." The honorable member for South Sydney (Mr. Riley), in supporting the amendment of the honorable member for Newcastle, said that he wanted to see industries spring up in Australia, and asserted that iron and steel was the key industry of the whole position. I admit that it is the key industry. The honorable member said that it meant very little to the man who was building a house if an extra £1 per ton was added to the cost of the corrugated iron that he needed for roofing purposes. I submit that it matters a great deal to him. The honorable member also asked what difference it would make on the small weight of a machine. Honorable members opposite who are supporting the amendment to increase the duty are always saying that their hearts go out to the working men of this country, and we have just been told by the honorable member for South Syd-

ney (Mr. Riley) that the extra duty will not represent a very great deal of additional expenditure for galvanized roofing iron. If it will not mean very much, the company should be as well able to stand it as the man who may require galvanized iron roofing for his house. I shall make it my duty to examine these items, and consider how they will affect the industries of Australia, and although I may vote to remove some of the duties in the schedule, I intend to support the Minister in regard to the item now under discussion. The manufacturers in my State can get cheaper pig iron from Great Britain, not to mention foreign countries, than from the Broken Hill Company's Newcastle works, or from Lithgow.

**Mr. WATKINS.**—How will the honorable member vote on the proposed duties for manufactured articles, then?

**Mr. FOLEY.**—I will disclose my position when those items are under consideration. Freight between Newcastle and Fremantle are as high, if not higher, than between Great Britain and Fremantle, and it is as well that honorable members who are supporting the amendment should bear in mind the fact that there are other States in the Federation besides New South Wales and Victoria. In Western Australia there are manufacturing works under State and private control, and if we increase the duty on the raw material in this way they will be obliged to charge higher prices for their productions. If we increase the Tariff three hundredfold, we shall not be able to prevent dumping, or to do anything in the way of exchange.

**Mr. JACKSON.**—Then why worry about the duty?

**Mr. FOLEY.**—Why should we increase the duty when it will not prevent dumping?

**Mr. JACKSON.**—That is where we do not agree.

**Mr. CHARLTON.**—If the honorable member's argument is sound, the outlook for Australian industries is very bad.

**Mr. FOLEY.**—Nothing of the sort. A few years ago the general manager of the Broken Hill Proprietary Company, Mr. Delprat, said that the company did not want protection for the steel works, but last year he asked for Tariff protection, and when this schedule was prepared he thought the duty adequate.



It is only during the last few days that honorable members in this Chamber have made representations for additional duty on the ground that conditions have altered. All I can say is that if the position is going to alter, in this way, we shall not know where we are. If I thought for a moment that the industry could not be continued without additional protection, I would be prepared to vote for a higher duty; but I am convinced that it can exist without this extra assistance, and that the company will be able to produce iron and steel at a rate that will enable the manufacturers of Australia to turn out machinery at a fair and reasonable price.

Sir **ROBERT BEST** (Kooyong)

[8.40].—I have at all times been guided by what I regard as the experience of the world. I am convinced that strong local industries are the surest guarantee for reasonable prices, because of the competition as between them and the importers. The latter are thus debarred from exploitation, and internal competition is established. This is the experience of Australia, and, indeed, it is the experience of the world. In this case we are anxious to make certain that the iron and steel industry is going to have ample room for expansion. Honorable members have pointed out that at one stage it was thought the industry could do without protection. That was a splendid aspiration; but experience has demonstrated that it could not be realized because of the dumping process and this competition from abroad. The fact that there has been expended in the industry something like £5,000,000 is a very sound guarantee of the *bona fides* and enterprise of those engaged in it. If I thought that the industry would be getting too much of its own way, and become a monopoly, extracting huge profits from the pockets of the people, I would be one of the first to endeavour to check its operations in the interests of the consumers; but my first consideration is to have the industry so firmly established as to insure its expansion to the fullest extent. Therefore, when it has been demonstrated by figures from a reliable source, and facts which cannot be successfully challenged, that the industry does require further help, and when I realize that the duty which was offered to it in

March last year is in value about 70 per cent. less than it was then, I think we have a right, as a Parliament, acting in the best interests of the Commonwealth, to make quite certain that the industry is fully protected. The burden of the claim made by honorable members in the Corner, and others who have spoken in opposition to the proposed increase in this duty, is that the real price of the article will be the cost of landing a similar product from abroad, plus the duty, thus making this impost a heavy charge on the community. But, while that calculation may be mathematically correct, it is not the experience of Australia as the result of the establishment of industries here by reason of the adoption of a Protective policy. Furthermore, the experience of America, where the duties on iron and steel products have been more than twice those proposed here, has demonstrated beyond doubt that the imposition of such duties has ultimately brought about, not only the establishment of local industries, but also the cheapening of the article produced.

I want to establish four points, which I shall prove. First, the iron and steel industry of America, which is colossal in its proportions, and of vital importance to that country, could not have been established but for the high Protective wall which was raised there with the object of its establishment. Second, within a period of five years after the imposition of that Protection, imports fell away to nothing, and the home industries vastly increased, and were able to supply practically all local requirements. Third, the prices charged by the home industry were infinitely less than those which had prevailed previously. Fourth, the effect of the Tariff was to bring down prices throughout the world. These four propositions cannot be successfully disputed. I have the whole of the figures here, and they can be seen by any honorable member. But Mr. Taussig, a political economist whose fame is world wide, in his *Tariff History of the United States of America*, has made available all the statistics which are indisputable, and I propose to give a faithful analysis of them. He informs us that, in 1871, the United

States of America produced 34,100 tons of steel rails, and imported 506,500 tons. The cost of her own rails was £19 2s. 1d. per ton. The cost of the imported rails was £12 0s. 5d. per ton. America paid on all the rails she used of her own manufacture £7 1s. 8d. per ton in excess of the price charged by the United Kingdom, and 6 and 7 dollars in excess of the duty of 28 dollars (£5 16s. 8d.) which she imposed under the Morrill Tariff. In 1876, after five years' experience of that duty of 28 dollars, during which she established many valuable local industries, she had increased her production of steel rails to 368,300 tons, and had reduced her imports to below 1,000 tons, having in that short period reduced her own cost per ton to £11 1s. 3d., namely, 19s. 2d. less than she was paying the United Kingdom in 1871. The United Kingdom in this period had reduced her price to £7 17s. 1d., or £3 4s. 2d. below the American cost. The Americans continued their 18 dollars (£3 15s.) per ton duty to July, 1883, when it was reduced to 17 dollars (£3 10s. 10d.), where it remained till 1890, when a further reduction to 13.44 dollars (£2 16s.) per ton to 1894 took place. Our British preferential duty is 35s. and 45s. respectively, and intermediate 60s. and 70s. respectively, on rails 50 lbs. and over and rails 50 lbs. and under, as against a United States of America Tariff of 75s. for a nine-year period. The table of American production of steel rails, if followed through to the year 1897, discloses the astounding fact that America, for the first time in her history, produced rails for £4 1s. 8d. per ton, or 5s. 10d. per ton less than the United Kingdom cost. The next year it went still lower, and from 1899 to 1908—a ten-year period—a ton of steel rails cost £5 16s. 8d.

Mr. JOWETT.—Does the honorable member imagine that the Tariff had anything to do with that result?

Sir ROBERT BEST.—It had everything to do with it. It was the result of the operation of the Tariff. I challenge the honorable member to successfully refute these facts.

Mr. JOWETT.—The facts are all right, but the inferences are all wrong.

Sir ROBERT BEST.—As the result of the operation of the Tariff in America that country was able to produce steel rails at a cost of £5 16s. 8d. per ton; and within five years after the imposition of the duties was able to supply her own market, and cause prices to be materially reduced elsewhere.

Mr. JOWETT.—During that same period there was an enormous reduction in costs throughout the world. It all took place without the operation of the Tariff.

Sir ROBERT BEST.—The honorable member's interjection is by no means relevant. I have already shown that, whereas America previously imported 500,000 tons of rails, she was in a position after five years of the operation of the Tariff, and through the establishment of her local industries, to completely supply her own market at a vastly lower figure than previously. Furthermore, the establishment of this industry in America created such a competition that the outcome was a general world-wide reduction in the cost of steel rails.

Mr. JOWETT.—The Tariff had nothing whatever to do with that. It was due to a general fall in prices.

Sir ROBERT BEST.—It was unquestionably mainly, if not wholly, due to the operation of a Protective Tariff, as has been conclusively demonstrated.

Mr. JOWETT.—It has never been demonstrated. It has been said for years, but it is the silliest old story in the world, and is the laughing-stock of any one who has investigated it.

Sir ROBERT BEST.—With great respect to my honorable friend, I prefer to accept Mr. Taussig as an authority in preference to the honorable member.

Mr. JOWETT.—Mr. Taussig's facts are all right, but the honorable member's inferences from them are all wrong.

Sir ROBERT BEST.—Mr. Taussig's facts are as I have stated them. It lies with my honorable friend to attempt to refute them; his own *ipse dixit* is not convincing.

Mr. JOWETT.—I have already said that the cause of the reduction in prices was the general downfall of prices everywhere.

Sir ROBERT BEST.—I am very glad to see that my relation of these facts has aroused resentment. My friends do not



like them. I claim that Australia is justified in being guided by the experiences of America, and I am prepared to say that if we do so we shall attain the same results.

We have to realize that we must establish this important key industry in Australia for the general welfare of the community. There has been a great deal of talk in regard to monopolies. Our first duty is to establish the industry here, and if later on it is found that monopolies are created, or that the manufacturers are taking undue advantage of any duty, I hope a Board of experts will be appointed to watch the effect of the operation of the Tariff, and so adjust duties that there will be competition from abroad if it is necessary to guarantee the full and complete protection of the consumer. Despite the strongly pronounced feeling in this Committee in favour of an increased duty on this item, the Minister (Mr. Greene) is not convinced that the industry requires it, and, of course, we must accept the result of his investigations with a great deal of respect; but from the assurances given in every direction, it is clear that some further guarantee is required by the Broken Hill Proprietary Company and other companies which I hope will protect them in this industry. In those circumstances, if the Minister cannot see his way clear to agree to the full increase suggested by the honorable member for Newcastle (Mr. Watkins), he should at least consent to some additional duty in view of the increased cost of production in Australia.

Mr. GREGORY (Dampier) [9.1].—The honorable member for Kooyong (Sir Robert Best) based his argument upon wrong assumptions. In the first place, he ascribed the development of the steel and iron industry in the United States of America to the assistance given by the Tariff. Those who know anything about the industry are aware that both the Broken Hill works and the foundry of Hoskins and Company were started without any fiscal protection.

Sir ROBERT BEST.—But they had prohibition throughout the war.

Mr. GREGORY.—The industry was started before the war, but during the war, and since, they were fed on such rich cake, in the form of high profits,

they are now reluctant to come back to plain bread and butter.

Mr. RILEY.—How much assistance did they get from the Commonwealth in the form of bounties?

Mr. GREGORY.—Then let us return to the bounty system, by which everybody in the community bears his share of the burden. The enormous development of the iron and steel industry in America is due, not to Protection, but to the marvellous resources of the country and the remarkable increase in population. I answer the honorable member for Kooyong by quoting the same author as he quoted. Taussig, writing in 1909 on the subject of Protection in relation to the steel industry, said—

The Tariff was felt to need overhauling because it was believed, rightly or wrongly, to promote combinations, or, at all events, to increase the profits in great protected industries. The huge fortunes acquired in some protected industries, the Carnegie fortune most conspicuously of all, brought feeling against monopolies and trusts to bear against the high duties. As has already been said, the trend towards combination is essentially a consequence of increasing large-scale production. But it has been intensified in some cases by Protection, and the profits of some trusts have been greatly swelled. The two things—trusts and Tariff—are much associated in the public mind, and hostility to the combinations has bred hostility to extreme Protection. Hence the Republican party, in its campaign platform of 1908, gave a promise of revising the Tariff. . . . The doctrine was laid down as follows:—"In all protected legislation the true principle of Protection is best maintained by the imposition of such duties as will equal the difference between the cost of production at home and abroad, together with a reasonable profit to American industries." . . . Yet little acumen is needed to see that, carried out consistently, it means simple prohibition and complete stoppage of trade.

Anything in the world can be made within a country if the producer is assured of "cost of production, together with reasonable profits." And he went on to quote Adam Smith as having said that grapes can be grown in a cold climate with the aid of a hot house.

Mr. JAMES PAGE.—The honorable member's quotation only confirms what the honorable member for Kooyong said.

Mr. GREGORY.—Does the honorable member for Maranoa (Mr. James Page) desire to build up in Australia fortunes like that of Carnegie? Taussig wrote, also—

To connect high wages with the effectiveness and productiveness of labour; to consider whether it is worth while to direct labour into

industry where it is not affected; to reflect what it really means to "equalize" a high domestic cost of production with the lower foreign cost; in fact, to reason carefully and consistently on the Tariff question, all this, unfortunately, is almost unknown. The average employer and the average labourer alike accept the familiar catchwords and fallacies. Let us stimulate employment, make demand for labour, create the home market, equalize cost of production, preserve American industries, and the American standard of living.

The latter portion of this quotation is about the only argument we have heard during the debate upon this Tariff.

The honorable member for Corangamite (Mr. Gibson) quoted some interesting statistics in regard to the present prices of imported goods. The Acting Deputy Leader of the Opposition (Mr. Charlton) made much of the argument that the low rate of exchange in France and Belgium, from which countries all our imported steel is coming at the present time, enabled those countries to sell to us at lower prices than the local manufacturer can quote. The Minister, too, fell into the same error. As a matter of fact, the prices quoted by France and Belgium ever since the war have been in pounds sterling. The figures quoted by the honorable member for Corangamite to-night were correct, and showed the exact rate of exchange between here and London, and the prices that had to be paid by McKay and others because the Broken Hill Company could not supply them with raw material.

Mr. GREENE.—Does the honorable member suggest that because the quotation is in pounds sterling for foreign trade the existing exchange position is affected?

Mr. GREGORY.—I say that the prices quoted by Belgium and France were in pounds sterling.

Mr. GREENE.—But that does not affect the exchange position.

Mr. GREGORY.—If a man buys 10 tons of Belgian material at £10 per ton he pays £100. The price would probably be on the basis of the exchange, but the importer would have to pay the full pound's worth. The whole point of the argument is that the present prices are quoted on a pound sterling basis.

Mr. GREENE.—If that is so, can the honorable member explain why the House of Commons is now dealing with the exchange position?

Mr. GREGORY.—I cannot, and neither can the Minister.

Mr. GREENE.—I can; it is quite clear.

Mr. GREGORY.—We are not fully aware of the difficulty. Last night I told the Committee that I would not consider natural protection in connexion with iron and steel, but the figures which were supplied by the honorable member for Corangamite, the authenticity of which I can guarantee, show that the natural protection increases the prices of many articles to the extent of 50 per cent. and 60 per cent. The present price of pig iron is £5 7s. 3d. f.o.b. The freight is £3 per ton, and there is a further 8s. 3d. for insurance and exchange, making a total natural protection of £3 8s. 3d. upon material that costs £5 7s. 3d.

Mr. WATKINS.—Does it cost nothing to distribute the local product in Australia?

Mr. GREGORY.—The honorable member for Kalgoorlie (Mr. Foley) pointed out the position in which Western Australia would be placed, and how some honorable members are attempting to destroy all possibility of establishing industries in that State in order to give a further advantage to the industries in their own States. I have not advanced that argument, but there is a good deal in it, because if it is to cost the people of Western Australia £3 2s. 6d. to get goods from Newcastle to Fremantle, it will be cheaper to get the goods from London. The protection that is being given at the present time on these articles amounts to about 100 per cent.

Mr. CONSIDINE.—I thought it was a question of developing the country and making it self-contained, and not of buying in the cheapest market.

Mr. GREGORY.—I, too, wish to see this industry developed in Australia.

Mr. WEST.—The honorable member is going about it in a peculiar way.

Mr. GREGORY.—I desire to show that the statement made by Mr. Delprat before the Inter-State Commission, that his company did not require any protection or assistance from the Government, was correct. The company were prepared to establish the steel industry with no greater assistance than was supplied by the natural resources of the country and the great facilities at their disposal.



Mr. WEST.—That is different from the statement which Mr. Delprat made to me.

Mr. GREGORY.—The evidence he gave before the Inter-State Commission was published, and his directors knew of it. Every shareholder in the company knew that enormous sums of reserved capital and borrowed money were being invested in this huge industry under the conditions stated by Mr. Delprat, namely, that the company wanted no protection or assistance from the Government in any shape or form.

Mr. CONSIDINE.—They knew what they were doing.

Mr. GREGORY.—I do not think they knew there would be in power a Government who would be so kind and considerate to them as are the present Government. The company's works made a magnificent start; they jumped off a spring board, and they have had a wonderfully good time.

I have here an official Government statement showing the prices of rails, fishplates, fishbolts, and dogspikes. Australian rails delivered at Port Augusta prior to the war cost £8 16s. The price in 1918—the maximum war-time quotation—was £19 5s.; but the price to-day, also for delivery at Port Augusta, is still as high as £17 15s., an increase over the pre-war price of more than 100 per cent. Similar prices in respect of fishplates are:—£11 2s. delivered at Port Augusta prior to the war; £23 5s., the highest war-period price; and £21 15s. to-day. The cost of fishbolts before the war was £21 6s.; the maximum war-time price was £66; the price to-day is £56 10s., nearly 300 per cent. above the pre-war quotation. And still there is the cry for protection! The pre-war quotation for dogspikes was £15 16s.; the maximum war-time price was £40; to-day, dogspikes cost £38 10s.

Mr. RILEY.—The same argument might be applied to wheat, the price of which is three times what is used to be.

Mr. GREGORY.—We are not asking for the protection of wheat. We are dealing with an industry which controls nearly every manufacturing activity in this country. If a manufacturer were to indent from the Old Country, say, a 200-ton line of various steel products, there would probably be more than 100 items in that indent. The Broken Hill

Company will not accept such orders except under conditions providing that the firm shall be given six months or twelve months before it can put in the machinery to make many of the minor lines which are not frequently ordered in the Australian trade. As for other lines, the Australian firm will not undertake to supply them at all. I quote the following from *Hardware and Machinery* of 4th April last:—

The Broken Hill Pty. Co. Ltd. have advised the trade that no new contracts will be accepted during the next six months, and that buyers wanting to effect forward contracts during that period should look to oversea sources. Further advice of the position of the company in regard to forward contracts is promised in May or June. C.i.f.e. quotations for Belgian mild steel are freely made at from £13 5s. to £15 per ton, with sales at £15 10s. for immediate shipment.

That state of affairs was due to the strike. The Australian enterprise could not supply orders. I have heard recently that, in connexion with the Morwell electrification scheme, in which there is required an enormous quantity of angle iron, the Broken Hill Proprietary Company could not quote for it. Indents have had to be, or must be, sent to the Old Country for these lines.

Has any evidence been advanced to show that the Broken Hill Proprietary Company need protection? I hold in my hand a statement setting forth the amount of capital which has been put into that company, and indicating its net profits. For the past three years these have amounted to about £600,000 per annum. The Broken Hill Proprietary mine has been closed for a considerable time, so that all the indications are that the company has been doing remarkably well at Newcastle. It has had a very fair start, and I am glad of its prosperity, because one naturally wants to see flourishing industries in Australia. It may be argued that it does not matter much if we add a couple of pounds a ton on items, for example, such as steel bars; but I point out that they go into every blacksmith's shop in the land, and are used by almost every Australian manufacturer. Before a manufactured product reaches its ultimate purchaser there are various additional profits to be added; and it is the man on the land, who wants to fence a holding with wire netting to

keep out vermin from his crop, who has to bear the brunt of it all. The cost of wire netting has gone up by about 300 per cent. All these burdens inevitably tell on the man who is struggling to build up the primary industries of Australia.

Unless there is a possibility of Australia's iron and steel interests being injured or ruined, where is the call for high protection? If there were some actual menace, prompt action could be taken. There has been a good deal of talk about dumping, but it should not be forgotten that there has been a huge demand all over the world. There was enormous destruction during the war period, and iron and steel is wanted on every hand. There can be very little if any dumping in Australia for years to come, therefore. I invite those honorable members who have devoted themselves to this point to-day to listen to an important quotation which I am about to make, and which reveals how easily the Commonwealth Parliament could overcome similar difficulties. Under Article V. of the Japanese Customs Tariff Law, there is the following provision—

When important industries in Japan are threatened by the importation of unreasonably cheap articles, or the sale of imported articles at unreasonably low prices, the Government may, under the regulations provided by Imperial Ordinance, specify such articles, after submitting the matter to investigation by the Unreasonably Cheap Sale Investigation Committee, and impose upon them during a certain fixed period of time duties not exceeding in amount their proper prices, in addition to the duties provided in the annexed Tariff.

Then there is a following section specifying how that can be done. The whole scheme is simple and effective.

If it were proposed to grant a bounty to the iron and steel industry again, the Minister would be under an obligation to furnish estimates informing the general public of what was involved. I have worked out certain figures showing what the rates of duties under the present schedule would mean. These estimates are taken on the basis of importations made in 1913. If we had to import the same quantity now as came in, free of duty, in that year, the imposition would amount to £68,000. In respect of ingots, blooms, and slabs—taking the same basis of comparison—the duty which we would have to pay to-day would be £27,000. On bars, bar-rods, angle-tee bars, and so on, the amount of duty which we would

be called upon to furnish to-day, if we were to import the same quantity as in 1913, would be £391,000. On plate and sheet iron, upon which we paid £19,000 in duty in 1913, and on which duties are suspended, we would have to pay £216,000 more. On those few items which I have indicated, the total amount which we would have to pay would be £704,000. If we add such lines as rails and tubes, and other items of iron and steel required in Australia—supposing that all these were manufactured here—the extra amount which the people would have to pay would be more than £2,500,000.

Mr. JACKSON.—But the Minister mentioned an actual saving of some £7,000,000.

Mr. RICHARD FOSTER.—And the Minister knows what he is talking about.

Mr. GREGORY.—I am not insinuating that the Minister does not. The honorable member for Wakefield (Mr. Richard Foster) realizes that these figures may reach his constituency, and he rather resents the publicity that I am giving them.

Mr. RICHARD FOSTER.—I can answer them all.

Mr. GREGORY.—I have already quoted from the *Hardware Journal* showing that the Broken Hill Proprietary Company advised purchasers to import their requirements.

Mr. RICHARD FOSTER.—Then, some one must be a robber or a liar.

Mr. GREGORY.—The company stated that owing to a strike they could not supply local requirements. That statement was published, and the honorable member for Wakefield says that it is false.

Mr. RICHARD FOSTER.—I did not say so.

Mr. GREGORY.—Certain purchasers were told to indent on their own account, and goods to the extent of 7,000 tons are coming into this country. If the request of the Broken Hill Proprietary Company is acceded to, very heavy duties will have to be paid. It appears that some one has been doing a good deal of "lobbying."

Mr. WATKINS.—Is not this rather late?

Mr. GREGORY.—Those people who have followed the advice of the Broken Hill Proprietary Company will have to



pay additional duties on the goods they have imported.

Mr. BLAKELEY.—Has not some one been “lobbying” on behalf of the American Steel Trust?

Mr. GREGORY.—I have not seen the representative of any such corporation. Has the honorable member?

Mr. BLAKELEY.—No. But, apparently, the honorable member for Dampier knows something about it.

Mr. GREGORY.—In the amendment I have suggested I have asked that the general Tariff rate shall stand, and that the British rate be reduced from 20s. to 15s. I cannot understand the honorable member for Kooyong (Sir Robert Best) opposing such a reasonable proposition.

Mr. BLAKELEY.—Is it wrong for me to suggest that some one has been “lobbying” on behalf of the American Steel Trust, when, apparently, it has been done on behalf of the Broken Hill Proprietary Company?

Mr. GREGORY.—Representatives of that company did not interview certain individuals, but asked members of our party generally to meet them. They came in a straightforward way, as gentlemen, and asked us to support an extra duty, to which, however, we did not consent. It has been stated that they have promised that if these duties are imposed they will increase wages, and possibly that may have been the means of influencing some honorable members.

Mr. RICHARD FOSTER.—Well, I do not believe it.

Mr. GREGORY.—Well, that is what one hears in the lobbies.

Mr. RICHARD FOSTER.—That will not strengthen the honorable member's case. It is useless making such statements, and the honorable member should realize it.

Mr. CONSIDINE.—The honorable member for Dampier (Mr. Gregory) is showing his opposition to such a proposal.

Mr. GREGORY.—I do not believe in low wages; but we want our industries to be effective, so that we can hold the trade. I am anxious to see men paid according to what they do, because if the operatives will not produce sufficient the Minister for Trade and Customs (Mr. Greene) will find his Tariff proposals generally of little value.

Mr. GREENE.—I went over the works, and did not see a single man who was not doing his best.

Mr. GREGORY.—Taking the duties suspended on the basis of 1913 importations, it means protection to the extent of over £700,000 on this item alone, and I do not believe any Government would dare to give a bounty on the same basis. If this high duty is imposed, it will fall only on one section of the community. It is all very well for the honorable member for Kooyong (Sir Robert Best) to appeal for high duties; but if they are imposed, they will not have the slightest effect upon his constituents. It is those hard and overtaxed workers in the rural areas, who are opening up new country, and who are developing it to the best of their ability, who will have to pay the impost. If rural production is unprofitable, there will be no room for the Broken Hill Steel Works, or any such industry. We see reports in the newspapers every day that mines are being closed down, and the imposition of heavy duties must have a corresponding effect in the cost of working the mines.

Mr. CONSIDINE.—Is the honorable member now in a position to give information concerning certain propaganda work?

Mr. GREGORY.—I have only just received my papers, and am unable to discuss the matter at this juncture. In fact, I do not see how I can find an opportunity, unless on a motion for the adjournment of the House. The primary producers will have to pay the whole of the extra duty.

Mr. RICHARD FOSTER.—Why does not the honorable member make a rational statement? Does he think the primary producer is a fool?

Mr. GREGORY.—If we follow the matter to its logical conclusion, we find that it is the primary producer who is keeping our industries in operation, and without his efforts we would not have even our cities.

Mr. RICHARD FOSTER.—I know that; but the honorable member's statement is incorrect.

Mr. GREGORY.—Perhaps some of those who are supporting the higher duties possess only a garden tool.

Mr. RICHARD FOSTER.—I believe in something reasonable.

Mr. GREGORY.—I have been endeavouring to show that practically the whole of this heavy impost will fall upon the primary producer, who is not having what can be termed a good time. I trust the Committee will absolutely refuse to increase the rates, but will support the amendment I have suggested, which does not provide for a reduction from countries outside the United Kingdom, but for a lower duty on goods coming from Great Britain.

Mr. GREENE (Richmond—Minister for Trade and Customs) [9.40].—I desire at this stage to deal with only two points raised by the honorable member for Dampier (Mr. Gregory), one of which was that, because the invoices to which he referred were expressed in terms of sterling, that that was sufficient proof that the exchange position between the country from which the goods were invoiced and Australia had nothing to do with the question.

Mr. GREGORY.—And the price that was paid for the article.

Mr. GREENE.—I am afraid I cannot follow the honorable member. The position, of course, is that the sterling price at which the invoice is drawn out is the conversion of the price in the currency of the country into sterling, and nothing more. It has nothing whatever to do with the relative value of the goods as expressed in sterling here and in the country of origin. I shall endeavour to illustrate that from some figures I have before me. My authority is the *United States Monthly Labour Review*, dated July, 1920, which quotes the Bureau of Labour and Statistics of the United States of America.

Mr. HECTOR LAMOND.—Where did the Minister get that? The Library cannot supply it.

Mr. GREENE.—Perhaps we obtain a lot of information that does not reach the Library. I have before me the rates of wages in March, the number of employees, the average daily earnings, and the various classes working in the iron and steel works in Oppeln and Silesia. In July, 1913, the average daily wage of the labourer in the steel works in Germany was 2.10 marks; but the average daily wage of the labourer in the steel works in Germany to-day is 12

marks. When we convert the daily wage of the German to-day at the current rate of exchange as between the sterling equivalent and the mark, we find that his wage is a little over 11d. When these wages are expressed in marks in the value of the product itself—as they have to be eventually when they sell the product—it costs many more marks; but when we bring the mark back into the sterling current rate, we get a lower wage, and one infinitely below that paid here for the same class of work. When we convert the 12 marks, which are paid in Germany to-day, as against the Australian rate, which is 14s. 8d., the German is being paid only 11d.

Mr. CONSIDINE.—What is the exchange rate of the sovereign to-day?

Mr. GREENE.—The computations I have given are at the rate of 243 marks to the £1 sterling. When we convert cost of the product in marks into sterling for invoice purposes, there is still the vast difference in the exchange between the two countries. It is true that we are not trading with Germany. We are trading with Belgium; but we get an extreme instance as between Germany and ourselves. Nevertheless, the same principle applies between Belgium and Australia, and that is why Belgian iron and steel is being quoted at a lower price than the British product. That is why, within the last week or two, England has taken action to give her Minister controlling the Customs Department the power to deal with this exchange position. America is doing the same, and we must follow suit if our industries are to be given a reasonable chance to live. I say that the fact that these invoices are quoted in sterling does not in the least alter the fact that the exchange position gives to continental countries an undue advantage, and they are at the present time quoting prices lower than British prices, and lower than our people can compete with.

Mr. CHARLTON.—In view of the statement made by the Minister, will he not postpone the further consideration of this item, and see whether he cannot agree to increase the duty?

Mr. GREENE.—No; I want to get on.



Mr. CHARLTON.—The honorable gentleman will not get on in that way.

Mr. McWILLIAMS.—The amendment of the honorable member for Dampier (Mr. Gregory) only affects imports from Great Britain. It will not affect imports from Belgium or Germany.

Mr. GREENE.—I think that the duties I have proposed should be agreed to. I am dealing with the argument of the honorable member for Dampier, and not with his proposed amendment.

I want to say a word or two concerning his statement that, in the interests of the primary producers, we should not protect these industries. I cannot follow the honorable member in that statement. If there is one class in this community which, more than another, suffered during the war from the exploitation of firms abroad through the tremendous prices they were charged for the goods they required, it was the primary producers. No class in this community has been exploited by importers and, in their turn, by the people in whose goods they dealt, as the primary producers have been. There is no other class either that has, by the establishment of these industries in Australia, received more relief than have the primary producers. I will give just one instance in support of this statement. Every one knows how the price of wire went up during the war. Every one knows that until this industry was started here on a big scale at Newcastle the price of wire was up in the clouds. What happened? The works at Newcastle were put up under war conditions. Their overhead charges were relatively 400 per cent. greater than those of companies that had been supplying Australia with these goods before. But when the Newcastle works got going—and I speak now of April, 1920—they fixed the price of wire from their works at £24 10s. per ton.

Mr. McWILLIAMS.—What was the price before the war?

Mr. GREENE.—I am speaking of what happened during the war. I say that in April, 1920, the price of wire f.o.b. Newcastle was £24 10s. per ton.

Mr. HILL.—I paid £31 10s. per ton for it in Melbourne six weeks ago.

Mr. GREENE.—I can tell the honorable member what the price was f.o.b. Newcastle, but I cannot tell him how

much was added to that price by others. The f.o.b. price in England in April, 1920, was £42.

Mr. JAMES PAGE.—That was f.o.b. London.

Mr. GREENE.—Yes, London or Liverpool.

Mr. BELL.—Was not the price in one case for black wire, and in the other case for galvanized wire?

Mr. GREENE.—No; I am quoting prices for the same class of wire. The May price was £24 10s. f.o.b. Newcastle, and £43 10s. f.o.b. England.

Mr. GIBSON.—Can the honorable gentleman give the American price at that date?

Mr. GREENE.—No; I have not the American prices before me. The June price was £24 10s. f.o.b. Newcastle, and £44 10s. f.o.b. England. The September price was £24 10s. f.o.b. Newcastle, and £41 10s. f.o.b. England, and so it goes on. The importers were not able to pass their price on. They had made contracts spread over a considerable period, and were getting deliveries of wire to keep their trade, and they were obliged to sell every ton of wire they imported at a loss against the Newcastle wire. I, therefore, repeat that the primary producer, at all events, has reaped a very considerable benefit from the establishment of this industry in Australia. If it had not been established, he would have been called upon to pay infinitely more than he has paid.

Mr. WEST (East Sydney) [9.54].—No item in the Tariff is of greater importance than that now under discussion. The way in which it is dealt with must have an effect upon every industry in Australia. I wish to justify the vote I intend to give on this item. I am sorry that, apparently, the Government have not realized the motive which has actuated the supporters of the amendment. A change has taken place in the economic condition of the world. Since this Tariff was framed, in March of last year, many changes have taken place. To-day, in manufactures, Australia has in America a competitor that she never had before. The American Government and people have determined to become large exporters of goods to other parts of the world. Our infant industries are not in a position to compete with

American industries that have been long established, and are able to produce at a much lower rate than we can in Australia. There is a great movement in the world at the present time for the reduction of wages, and, despite the advice of the daily press, I say that we must, at all events, maintain a high standard of living in Australia. That is the only way in which we can insure fitting conditions for human beings in a civilized community. We must pay attention to the movement going on on the other side of the world for the reduction of wages, and of the standard of living. If we bear that in mind, we shall understand the motive by which the supporters of the amendment are actuated. On this item I take advantage of an opportunity of which I did not avail myself in speaking on the Tariff as a whole, to point out that if it is intended that the duties imposed in this case shall be of any benefit to the people of Australia, they must be such as will prohibit the importation of iron and steel from any other portion of the world. I remind honorable members that shipping companies running our large ocean liners quote reduced rates of freight for steel rails, machinery, and other heavy cargo that can be shipped as stiffening cargo for their vessels. This must give importers of these goods a considerable advantage, which can only be met by the imposition of heavy duties upon them. I agree with honorable members who contend that the steel and iron industry is a key industry. I have followed occupations in life other than that of a member of Parliament, and I am able to inform honorable members that in the building trade to-day iron and steel plays a part that was never thought of twenty years ago. Iron and steel structures are to-day amongst the largest items in the requirement for large buildings. The honorable member for Dampier (Mr. Gregory) has a habit of repeating statements. He has referred to a statement made by Mr. Delprat, but ignores the fact that it was made some years ago. When Mr. Delprat was giving evidence before the Public Accounts Committee in connexion with the shipping inquiry, he stated that the Broken Hill Proprietary Company desired a protective duty on steel, believing that Tariff Protection was

infinitely superior to the bounty system. The honorable member for Dampier has asserted again and again that an endeavour is being made to build up a monopoly in connexion with this industry. I recognise that there is a possibility of a monopoly being created, but should that happen, the united wisdom of the National Parliament should be able to devise the machinery necessary to cope with it. If we must handle the product of a monopoly, it is better that that monopoly should be in our own country, where we can deal with it, rather than in some other part of the world, where we can exercise no control over it. A Labour Government would not allow a monopoly to hold sway in this country for any length of time. The honorable member for Dampier and other honorable members of the Country party have referred to wire netting. Wire netting is shipped by measurement, and not by weight, and in order that it may be put into the smallest possible space, it is dumped or pressed to such an extent that the zinc used in galvanizing it is chipped off, and the netting is thus seriously damaged. Locally-made wire netting is worth considerably more than that which is imported.

Mr. JAMES PAGE.—I call attention to the want of a quorum. [*Quorum formed.*]

Mr. WEST.—I hope the Australian public will take this lesson to heart, and purchase locally-made wire netting, since it is more lasting than the imported article.

The Minister (Mr. Greene) in determining the duties to be imposed under this item, no doubt acted upon information supplied by officers of his Department. He seems; however, to have overlooked the fact that more than twelve months have elapsed since the Tariff schedule was submitted, and that since then the conditions of labour in America and all European countries have materially altered. There seems to be a tendency, not only in America, but throughout Europe, to lower the workers' standard of living. That will mean an interference with the distribution of the wealth of the people, and a very serious position is likely to be created. We should do nothing to hamper our secondary industries. Our primary industries were urged to produce more and yet more, with the result that we have an abundance of wool, much



of which we cannot sell. Our farmers are likely also to have trouble in getting rid of their wheat, so that we must look to our secondary industries to keep up the standard of living in Australia.

Mr. HILL.—And yet the honorable member desires to increase these duties, and so to increase the cost of implements and machinery used by the primary producers.

Mr. WEST.—It is far better that our primary producers should pay for a shovel made in Australia 1s. or 1s. 6d. more than is asked for the imported article. The money spent in the manufacture of the Australian-made article remains in the country. It is distributed among our own people, and is helping to create a local market for the products of our primary producers. Our object should be, if possible, to shut out importations. When our imports are declining, Australia is making progress, but when they are increasing, I recognise that the country is being subjected to a strain which, having regard to our war debt, it cannot bear. Our object should be to reduce our imports and to increase our exports. Australia will suffer if she continues to import on the present large scale. We are told that the reason for the increase in imports is that delivery is now being made under many contracts entered into during the war; but the fact that we are importing so largely clearly shows that our Tariff is not sufficiently protective. It ought not to be necessary for us to import iron and steel; we have here the raw material to produce the finest steel and iron. Experts told the Committee of Public Accounts that the locally-made plate and angle iron used in the ships that we constructed in Australia was better than any that could be imported. That is the opinion of experts, and not merely of members of the party to which I belong. These experts were brought from overseas in the war period to assist in establishing the shipbuilding industry here, and that was the conclusion at which they arrived in regard to the merits of our iron and steel.

There is no justification for the idea that the imposition of the additional duties necessarily means an increase in prices; but, even if it did, and it was necessary in order to maintain wages and our present standard of living, it would have my support. I can remember the day when

we were told by gentlemen with Free Trade proclivities that cheap labour was the salvation of the country; indeed, they would almost have led us to believe that we must sink to the standards of China and Japan. This, however, I am convinced, Australians are not prepared to concede. When I reached manhood, and could think for myself, I saw the fallacy of ideas of the kind, and I earnestly urge on the Government to remember that this industry is necessary to our defence and our commercial prosperity. We are an island continent, and, sooner or later, as Australia develops and population increases, our coastal shipping service will be of some magnitude. And when I realize how essential this industry is to us, I feel that I must do something to make the importation of iron and steel impossible. If we had to import the raw materials for the industry, I might take a different view; but we know that Australia abounds in all that is necessary for the production of the finest iron and steel in the world. The experts to whom I have referred have no doubt as to the quality of our iron and steel, and they have expressed the further opinion that Australian workmanship cannot be excelled, while production is cheaper here than in England or America.

With all these facts before me, I should be a traitor and a renegade if I did not urge the Government to reconsider their attitude in regard to this item. There would be no more wrong in the Government acting on that suggestion than there would be in the Free Traders of the House submitting themselves to an intellectual readjustment before voting on the question before us. The Government ought to try to bring their supporters together in view of the importance of this industry. It grieved me very much to hear it suggested to-night by an honorable member that the smaller States were being asked to pay for the advancement of the State from which I come. That is a deplorable spirit to be exhibited on such an occasion; it is a spirit which was not found in New South Wales when the majority of the people there voted for a united Australia, so that the rest of the country might share in her prosperity. We on this side of the House always display a



national spirit in dealing with public questions, and I hope that we shall hear no further references of the kind to which I refer. If one State of Australia is making progress, that must tend to the progress of every other State; and so, if a State is not doing so well as others, the position can be improved by the display of the proper spirit. There is no doubt that the iron and steel industry is the key to all the other industries, whether printing, building, engineering, or ship construction. Much of the opposition to the amendment comes from the representatives of the primary producers; but I remind those gentlemen that if the secondary industries are not able to maintain a high standard of living, primary producers will suffer to a greater extent than they now imagine. I am given to understand that the amendment, if agreed to, might affect other items in the schedule; but I presume the Government are able to safeguard themselves in this respect. I should not be speaking at this length if I did not feel that this is the most important question that can come before us in this Tariff discussion. The employment of labour involved is something enormous. Messrs. Hoskins Brothers, at Lithgow, are one of the largest payers of freight that the Railways Commissioners of New South Wales have. Every day they run a train made up of forty trucks. Then they have transport from Mudgee, and, further, there is the sending of their finished materials to Sydney and elsewhere.

MR. CHARLTON.—I draw attention to the state of the Committee. [*Quorum formed.*]

MR. WEST.—Again, at Newcastle we have the works of the Broken Hill Company. These works not only give an immense amount of employment locally, but keep going an iron mine in South Australia, and a vessel which trades regularly between that State and Newcastle. The ramifications of this industry are paralyzing, and its benefits are widespread. Round about Newcastle there are no empty houses for miles, and rents have gone up enormously. Shopkeepers, clergymen, hotelkeepers, newspaper proprietors and many others owe their in-

comes to the trade which it causes. What we desire is that Parliament shall meet the circumstances of the day, and keep an eye on the future. This is the duty of statesmen. We need to take a long vision. The amendment before the Committee is much more important than were the proposals of the honorable member for Dampier (Mr. Gregory), many of which were as useless as a mustard plaster on a wooden leg for the cure of a cold.

I was told by a doctor the other day that I might expect to live for another thirty years, and I guarantee that thirty years hence the people of Australia who meet me will tell me what a great work I did in advocating the increase of these duties. Those who vote for the amendment will not be sorry for doing so, and those who vote against it will regret that they did not take the advice of the honorable member for East Sydney. Some of my friends who live in country districts have not had so good an opportunity as I have had to travel and broaden their minds. I should like them to avail themselves of the benefits of my experience, and take my words to heart. If they do, they will accept the amendment in a broad national spirit. I was brought up in my early days to believe that Free Trade was a godsend, but I was converted at the age of seventeen or eighteen. When I came out to New Zealand and Australia, and saw men walking about the streets with nothing to do, while locomotives and other manufactured articles were being landed on the wharfs, I thought "I will do something for this country by starting the idea that it ought to produce what it needs for its own requirements." It is remarkable how this Tariff has gone through up to the present. Twenty years ago, in our State Parliaments, such a thing would never have been thought possible. It only goes to show the great change that has taken place in Australian sentiment. I am inclined to think that a great deal of this is due to the system of public school education. Of course, in those days, when Australia was divided into petty States, the people had a very limited idea of national life, but when the Commonwealth was inaugurated the people



stepped on to the broad path of nationhood, the Australian spirit and sentiment began to grow, and we accepted our responsibilities as a nation. Among those responsibilities is the employment of our own people and the utilization in the best interests of the people of our raw materials.

Mr. JAMES PAGE.—I call attention to the state of the Committee. [*Quorum formed.*]

Mr. WEST.—If any item can be quoted to show the real intention of a Tariff, it is this one. I shall always endeavour to go even as far as prohibition in dealing with the importation of articles produced by industries which are in the same position as the iron industry. Not one of those who have opposed the amendment has endeavoured to show that the industry is not essential to Australian progress. It is pure imagination to say that an increase of £1 per ton in the duty would increase the price of the iron by £1 per ton.

Mr. HILL.—If you had to write out your cheque for £50 or £60 extra for a reaper and binder, you would find that it was not a difference of £1.

Mr. WEST.—In New Zealand, under Free Trade, the reaper and binder is dearer than in Australia. If the primary producer has to pay 10 per cent. more for his reaper and binder which is produced in Australia, he has the satisfaction of knowing that the money he has spent will be circulated in Australia, with the almost certain result of enabling those who require the commodities he produces to pay for them at decent wages. We must do something to keep our industries at a high standard, so far as wages are concerned. If we do not, the primary producer will get no returns, and his land and stock will go down in value.

Mr. HILL.—It has gone down in value.

Mr. WEST.—The honorable member should support the amendment, because with the changes which have taken place in other parts of the world, and the possibility of a lower standard of industrial conditions to which I hope Australians will never submit, there is a great danger to our local industry.

Mr. JAMES PAGE.—I call attention to the state of the House. [*Quorum formed.*]

Mr. WEST.—I do not think that the Minister has considered this question as seriously as he should do. I do not know of any item in the Tariff that affects so many people as does the one we are now considering. The people are expecting a great deal of assistance from this Tariff. A large revenue from Customs duties is no evidence of the prosperity of a country. On the contrary, a Tariff which reduces importation to a minimum is the one that makes the country progress. We cannot pay our way if importations continue on the present large scale. One of our greatest troubles is that we are receiving too much revenue from Customs duties, and are thereby extracting from the people in the humbler walks of life a greater amount of taxation than they should be required to pay. Most of the articles from which Customs revenue is derived are necessities, and, therefore, every individual in the community contributes to this form of taxation.

I do not wish to further detain the Committee, but I know that when my friends read my remarks this evening, they will congratulate me upon my statesman-like view of the Tariff in its relation to the great iron and steel industry. I have no personal interest, commercially or politically, in this industry. I hope that the energies of Australians will be devoted to something more than tilling the ground, drawing water, or humping wood. No country has done well which has not a high standard of wages, or which has not provided ample employment for its people in industries. No greater duty or responsibility rests on a National Parliament than to provide that employment for the people of the country. It is a pleasure to honorable members when, at the conclusion of their duties, they pass among their constituents to realize that, as a result of what they have done here, the people are fully engaged in producing wealth for the community at large.

Progress reported.

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Motion (*by leave*) (by Sir JOSEPH COOK) agreed to—

That the House, at its rising, adjourn until 11.30 a.m. to-morrow.

House adjourned at 11.5 p.m.



# Members of the House of Representatives.

*Speaker*—The Honorable Sir Elliot Johnson, K.C.M.G.

*Chairman of Committees*—The Honorable John Moore Chanter.

Anstey, Frank ..	Bourke (V.)	Hughes, Right Hon. William Bendigo (V.†)	
<sup>3</sup> Atkinson, I. W. Welyn ..	Wilmot (T.)	Morris, P.C., K.C.	
<sup>7</sup> Bamford, R. H. Frederick ..	Herbert (Q.)	Jackson, David Sydney ..	Bass (T.)
William		Johnson, Hon. Sir Elliot, Lang, (N.S.W.)	
Bayley, James Garfield ..	Oxley (Q.)	K.C.M.G.	
Bell, George John, C.M.G., Darwin (T.)		Jowett, Edmund ..	Grampians (V.)
D.S.O.		<sup>5</sup> Kerby, Edwin Thomas	Ballarat (V.)
Best, Hon. Sir Robert Kooyong (V.)		John	
Wallace, K.C.M.G.		Lamond, Hector ..	Illawarra (N.S.W.)
Blakeley, Arthur ..	Darling (N.S.W.)	Lavelle, Thomas James ..	Calare (N.S.W.)
Blundell, Hon. Reginald Adelaide (S.A.)		Lazzarini, Hubert Peter ..	Werriwa (N.S.W.)
Pole		Lister, John Henry ..	Corio (V.)
Bowden, Eric Kendall ..	Nepean (N.S.W.)	Livingston, John ..	Barker (S.A.)
Brennan, Frank ..	Batman (V.)	Mackay, George Hugh ..	Lilley (Q.)
Bruce, Stanley Melbourne Flinders (V.)		<sup>8</sup> Mahon, Hon. Hugh ..	Kalgoorlie (W.A.)
M.C.		Mahony, William George ..	Dalley (N.S.W.)
Burchell, Reginald John Fremantle (W.A.)		Makin, Norman John	Hindmarsh (S.A.)
M.C.		Oswald	
Cameron, Donald Charles Brisbane (Q.)		Maloney, William ..	Melbourne (V.)
C.M.G., D.S.O.		Marks, Walter Moffitt ..	Wentworth (N.S.W.)
Catts, James Howard ..	Cook (N.S.W.)	Marr, Charles William	Parkes (N.S.W.)
Chanter, Hon. John Riverina (N.S.W.)		Clanan, D.S.O., M.C.	
Moore		Mathews, James ..	Melbourne Ports (V.)
Chapman, Hon. Austin ..	Eden-Monaro	Maxwell, George Arnot ..	Fawkner (V.)
(N.S.W.)		<sup>1</sup> McDonald, Hon. Charles ..	Kennedy (Q.)
<sup>3</sup> Charlton, Matthew† ..	Hunter (N.S.W.)	<sup>6</sup> McGrath, David Charles ..	Ballarat (V.)
<sup>4</sup> Considine, Michael Patrick	Barrier (N.S.W.)	McWilliams, William James	Franklin (T.)
Cook, Right Hon. Sir Parramatta (N.S.W.)		Moloney, Parker John ..	Hume (N.S.W.)
Joseph, P.C., G.C.M.G.		Nicholls, Samuel Robert ..	Macquarie (N.S.W.)
Cook, Robert ..	Indi (V.)	Page, Earle Christmas	Cowper (N.S.W.)
Corser, Edward Bernard	Wide Bay (Q.)	Grafton	
Cresset		<sup>10</sup> Page, Hon. James ..	Maranoa (Q.)
Cunningham, Lucien Gwydir (N.S.W.)		Poynton, Hon. Alexander, Grey (S.A.)	
Lawrence		O.B.E.	
Fenton, James Edward ..	Maribyrnong (V.)	Prowse, John Henry ..	Swan (W.A.)
<sup>3</sup> Fleming, William Mont-Robertson (N.S.W.)		Riley, Edward ..	South Sydney
gomerie		(N.S.W.)	
<sup>9</sup> Foley, George James ..	Kalgoorlie (W.A.)	Rodgers, Hon. Arthur Stan-	Wannon (V.)
Foster, Hon. Richard Wakefield (S.A.)		islaus	
Witty		Ryan, Hon. Thomas West Sydney	
<sup>2</sup> Fowler, Hon. James Perth (W.A.)		Joseph, K.C.	(N.S.W.)
Mackinnon		Ryrie, Sir Granville de North Sydney	
Francis, Frederick Henry	Henty (V.)	Laune, K.C.M.G., C.B.	(N.S.W.)
Gabb, Joel Moses ..	Angas (S.A.)	Smith, Hon. William Denison (T.)	
Gibson, William Gerrard	Corangamite (V.)	Henry Laird	
Greene, Hon. Walter Richmond (N.S.W.)		Stewart, Percy Gerald ..	Wimmera (V.)
Massy		Story, William Harrison ..	Boothby (S.A.)
Gregory, Hon. Henry ..	Dampier (W.A.)	Tudor, Hon. Frank Gwynne	Yarra (V.)
Groom, Hon. Littleton Darling Downs (Q.)		<sup>3</sup> Watkins, Hon. David ..	Newcastle (N.S.W.)
Ernest		Watt, Right Hon. William	Balaclava (V.)
Hay, Alexander ..	New England	Alexander, P.C.	
(N.S.W.)		West, John Edward ..	East Sydney
Higgs, Hon. William Guy Capricornia (Q.)		(N.S.W.)	
Hill, William Caldwell ..	Echuca (V.)	Wienholt, Arnold ..	Moreton (Q.)
		Wise, Hon. George Henry ..	Gippsland (V.)

1. Sworn 27th February, 1920.—2. Sworn 3rd March, 1920.—3. Appointed Temporary Chairman of Committees, 4th March, 1920.—4. Made affirmation, 5th March, 1920.—5. Election declared void, 2nd June, 1920.—† Sworn 11th May, 1920.—6. Elected 10th July, 1920. Sworn 21st July, 1920.—7. Appointed Temporary Chairman of Committees, 13th May, 1920.—8. Expelled and seat declared vacant, 12th November, 1920.—9. Elected 18th December, 1920. Sworn 6th April, 1921.—10. Decease reported, 3rd June, 1921.

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*House of Representatives*—W. A. Gale, C.M.G.

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\* Appointed 14th April, 1921.

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\* Resigned 12th May, 1921.

Appointed 19th May, 1921.